FINANCIAL TIMES

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SAVINGS AND INVESTMENTS — BRITISH TELECOM — Don't be pipped at the post p9

WINE p17 The 1984 Burgundies

FEATURES p18 Are small shareholders missing out? HOME ELECTRONICS p19 The seasonal spending spree

MOTORING p11 Forecasting the car of the year

CHRISTMAS BOOKS Volumes for young and old p14

WORLD NEWS

Tories warn of further rebellions

Senior Tory MPs warned the Government of the likelihood of further Commons rebellions over its local government and bus industry proposals, following this week's revolts on overseas aid and the Civil Aviation Bill.

The latest unrest is not confined to familiar critics and malcontents but extends to previous loyalists, including officers of backbench committees. One prominent MP said: "Ministers are getting out of touch and in danger of alienating traditional supporters."

Several members have referred to large numbers of constituents' letters about overseas aid and the proposed sharp increases in parental support for students. Back Page

Drought aid approved

A further £1.7m of emergency drought aid for Sudan, Chad, Ethiopia, Somalia and the Central African Republic was approved by Overseas Development Minister Timothy Raison.

Korean soldiers killed

One South Korean and two North Korean soldiers died after shooting in the demilitarised zone between the two countries. Page 2

£18m Sainsbury will

James Arthur Sainsbury, a director of the food chain for 33 years, left most of his £18m estate for the setting up of the Kay Kendall Leukaemia Research Fund, named in memory of the actress.

Dissident 'sent to Urals'

Soviet dissident Anatoly Shcharansky's wife said he had apparently been moved to a labour camp in the Urals, known to be one of the Soviet Union's toughest.

PNC sacks speaker

The Palestine National Council, meeting in Amman, Jordan, sacked its speaker Khaled Fahoum, who boycotted proceedings, and elected former Jordanian minister Sheikh Abdul Hamid al-Sayeh in his place.

Frewen for retrial

Commodity broker Justin Frewen is to be retried after an Old Bailey jury failed to reach verdicts. He has denied fraudulent trading and obtaining a cheque by deception.

Post office raider jailed

Former Royal Horse Guards lance-corporal Steven Henry, who admitted a series of shotgun post office raids in Essex and London, was jailed for nine years at Chelmsford.

Cornish sea rescues

The Swiss sail training vessel Perata was taken in tow by a tug in gale-force winds off Falmouth and the Falmouth relief lifeboat also required a tow after failing to reach the Perata. A Royal Navy helicopter rescued a German freighter's crew off Land's End. Weather, Back Page

Financial Times

As a result of production problems, the Stock Exchange Dealings tables in today's paper have not been proof-read. We apologise to readers for any typographical errors which have resulted.

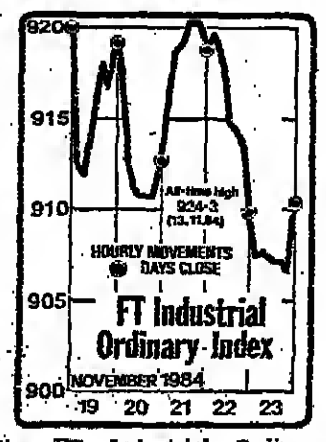
BUSINESS SUMMARY

Revaluation lifts News Corp assets

NEWS CORPORATION, Australian holding company of publisher Rupert Murdoch, increased net assets 143 per cent from A$406m to A$986m (£675.3m), mainly through a A$461m revaluation of titles, television and publishing rights. The Times and Sunday Times together made their first profit since being taken over in 1981, but the Sun's profits were cut and the News of the World made a loss. Back Page

CULLEN'S STORES, grocery and off-licence chain which last week agreed to a £6.6m offer from three former Imperial Group executives, received two more bids from former supermarket heads. Back Page

EQUITIES remained quiet ahead of the British Telecom flotation. A late rally brought



the FT Industrial Ordinary index up to close at 910.3, 0.4 higher on the day but 9.7 down for the week. Page 24

U.S. agreed to consult Britain over any threats to trade relations arising from U.S. export restrictions. Back Page

EEC INFLATION rate was 0.8 per cent last month, for an annual 6.7 per cent.

WEST GERMANY'S Council of Economic Advisers predicted real economic growth of 3 per cent next year, against 2.5 per cent this year, and the first rise in employment since 1980. Page 2

CBI directors-general Sir Terence Beckett said members feared they could not make up the shortfall if the Chancellor removed pension tax reliefs. Page 3

CLOSED SHOP was overwhelmingly supported in a ballot among 9,000 Usdaw members, held in defiance of TUC policy. Page 4

BOLIVIA devalued the peso—to 8,751 to the U.S. dollar—and introduced tight austerity measures. Page 2

TOKYO markets were closed for Labour Thanksgiving Day.

CHLORIDE GROUP reported first-half taxable profits of £5.4m (£3.1m), and predicted more "modest but steady progress." Page 20; Lex, Back Page

WEDGWOOD china and earthenware maker more than doubled 26-week profits from £2.86m to £5.95m, and lifted the interim payout. Page 20

DIXONS lifted its stake in Currys, rival electrical retailer, to 42.3 per cent. The two are involved in a £242m takeover battle. Page 20

ACI International of Australia bid NZ$200m (£81m) for the 44.4 per cent it does not own of Alex Harvey Industries, New Zealand packaging and building products maker. Page 21

Miners' drift to work will continue—NCB

BY JOHN LLOYD, INDUSTRIAL EDITOR

NATIONAL COAL Board officials believe the "drift back" to work will continue strongly in the next year and that more than half the 180,000 miners will be back within the next two months.

The board claimed a further 800 "new faces" yesterday, bringing the past week's total to 5,700 and the total in the past two weeks to more than 10,000.

The NCB over the past two weeks has offered a pay and benefits package to returning miners worth more than £600, payable before Christmas. Many areas said yesterday they would attempt to keep all the offer open for at least part of next week. In the Scottish area, the offer is to be extended for the full week.

The bonus is made up of various holiday and other entitlements. In an effort to meet complaints from miners who have been working throughout the strike and have already received their holiday and other entitlements for this year, the NCB yesterday announced it would pay up to £175 as a "down payment" on a wage increase due last November. The board at that time offered 5.2 per cent, which was rejected by the National Union of Mineworkers.

The £175 will be payable to miners who have been at work since November 1 1983, with less to those who have returned from the strike. "The payment is possible because of the arrears of wages which have accrued and will be deducted from the final sum when a wage settlement is reached," the NCB said.

The drift back has continued relatively strongly in the North-East, North Derbyshire and Scotland, fairly strongly in the Yorkshire and western areas (in the last of which most miners are at work) and slowly in South Wales and Kent.

While the lure of extra payments before Christmas will be lessened next week, the NCB's area directors, meeting in Derbyshire earlier this week, were united in the belief that the momentum was such that the return to work would continue at a rate not much lower than in the past two weeks. They thought that would bring working miners up to more than half the total strength by January.

The board has fallen short of its optimistic estimates that 7,000 would return this week but not by so much as to cause embarrassment. Some officials in the regions believe that the numbers returning next week could reach 5,000 but the board is chary of forecasting.

Mr Arthur Scargill, the NUM President, said he did not accept that there was a drift back to work. He said: "Some men are going back to work but there are some coming back out on strike."

He claims that 48,000 miners are working with 140,000 on strike. The NCB claims 63,000 not on strike, with 126,000 on strike.

The price of the return to work movement was horrifyingly demonstrated yesterday when a working miner from Fryston Colliery, in North Yorkshire, was beaten in his home by six masked men using baseball bats.

Mr Michael Fletcher, 24, ran home to 'phone the police after being attacked by about 20 pickets as he walked to Fryston for the morning shift. Six broke down the door and beat him as his wife and two children hid upstairs. He suffered a broken shoulder blade, a dislocated elbow and other in-

Continued on Back Page
The uneven drift, Page 4

IMF 'ready to release $380m Brazil credit'

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE INTERNATIONAL Monetary Fund will next week release a $380m (£304m) tranche of its Extended Fund loan to Brazil, held up for nearly two months, according to the Brazilian central bank.

Brazil has met all the external and domestic targets set by the IMF for the three months to the end of September, the bank said in Brasilia.

Talks between a visiting IMF team and the Brazilian authorities on a new letter of intent from Brazil to the IMF for next year opened in Brasilia this week and are expected to be completed by the second week of December.

That will be shortly before Brazil resumes negotiations with its creditors banks on rescheduling the coming years' net payments. Brazil is currently scheduled to repay nearly $55bn on its foreign debt between now and the end of 1990.

No official statement has been released on the progress of the discussions with the IMF. But an authoritative report on Thursday said the main arguing point was the size of the fiscal effort Brazil should make next year.

To create a safety margin against any backsliding from the IMF's austerity programme during next year's transition to a new government, the IMF is said to be pressing Brazil to aim for an operational surplus on its public sector finances equivalent to 4 per cent of gross domestic product.

The outgoing government of President Joao Figueiredo has countered by insisting on a target of only 1.2 to 1.5 per cent of GDP, to be included in the new pact being drawn up with the IMF.

It was disclosed yesterday that a new element in the talks with the creditor banks could be a request for a five-year or six-year grace period on debt repayments, within a 14-year term.

According to Gazeta Mercantil, the leading business daily, this factor may be injected into the next round between Brazil and its bank advisory committee. The Brazilian proposals, presented to the banks in New York last week, were reported as not mentioning any grace period.

Vendor placing to fund takeovers attacked by M & G chairman

BY DUNCAN CAMPBELL-SMITH

THE CITY is having second thoughts about the rules governing companies issuing fresh equity capital.

Mr David Hopkinson, chairman of M & G Investment Management, for example says in a letter to the Financial Times today that his board has had "strong reservations" about a number of recent equity issues.

Mr Hopkinson was one of the council of 10 confidential advisers to the Governor of the Bank of England on self-regulation which met earlier this year. He is one of the most forthright critics of current changes in the structure of the City.

The main targets in his letter are three recent equity issues sold more or less directly to City institutions to finance takeovers. Mr Hopkinson criticises this funding technique—commonly described as vendor placing—as an "undesirable practice which almost always operates to the disadvantage of small shareholders."

The companies involved are Ward White, the shoe retailer, Saatchi and Saatchi, the advertising group, and Dee Corporation, the grocery and cash-and-carry chain. This month they have issued new equity worth £20m, £80m and £180m respectively—representing, in each case, a substantial proportion of the outstanding shares.

In a vendor placing, a company issues shares in exchange for a purchase. The shares pass nominally to the vendor, but in practice they are placed in the City by a stockbroker, with the sale underwritten by a merchant bank. Both the broker and the bank act as close advisers to the issuing company.

This route circumvents the need for all the company's shareholders to receive pre-emptive rights to the new shares. The 1980 Companies Act requirement on this point can be nullified later by a 50 per cent majority vote at an extraordinary general meeting.

The M & G chairman suggests that the City's institutions might "agree not to participate in future placings involving a dilution of more than 10 per cent of the (existing) equity."

His proposal comes amid signs of growing disquiet over vendor placings. Mr Paul Lovett, UK equities manager at Norwich Union, said after the Dee move, completed on Thursday, that it amounted to "a rough deal for the private shareholder."

Morgan Grenfell, the merchant bank which advised Dee, has featured in a number of other large vendor placings this year.

Mr Peter Espenhahn, a director of the bank, said pre-emptive rights could sometimes put a deal at risk. "If a vendor placing is better than nothing at all, then it seems rather stupid not to do the deal just because of the pre-emptive principle."

The companies involved and their advisers have been eager to stress their loyalty to this principle. The critics appear to fear that pre-emptive rights may be ended.

All three of the cited companies have been strong favourites in the stock market this year. Dee's shares closed last night at 187p, up from a pre-placing price of 174p. On the same basis, Ward White has risen from 145p to 179p and Saatchi from 830p to 855p.

When equity is less than equal and Letters, Page 18

N. Sea oil price slide continues

BY DOMINIC LAWSON

NORTH SEA OIL spot prices continued their downward spiral yesterday, with December shipments of Brent, the North Sea marker crude, changing hands at $27.20 a barrel, down 10 cents on the day and well below the British National Oil Corporation's official price of $28.65.

One BNOC customer said: "The official price is too high and the market is going to get worse."

BNOC had only just won the agreement of its suppliers and customers to the $28.65-a-barrel price for the final quarter before the market downturn gathered pace over the past week.

BNOC is selling up to 400,000 barrels a day at a loss on the spot market, eating rapidly into the £45m of external financing granted to the corporation by the Government last month.

BNOC is already under customer pressure to cut its official price for the first quarter of 1985.

The immediate focus of pressure is Statoil of Norway, which will shortly open negotiations with its customers on December prices.

Statoil's price is about 35c a barrel above BNOC's and it is likely that the Norwegian group will be forced to match the British price. Statoil seems prepared to risk losing customers rather than exacerbate the price war by undercutting BNOC.

Pricing problems for both the UK and Norway are intensified by the actions of Nigeria, whose light oil competes directly with North Sea crude.

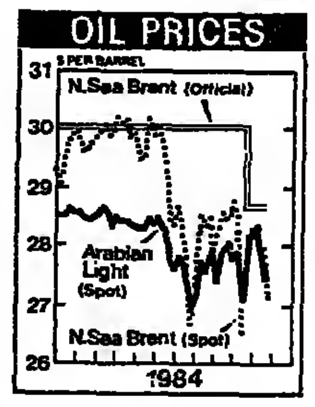
Nigeria is not only undercutting the Europeans on price but also flouting the 1.3m b/d production ceiling imposed on it by the Organisation of Petroleum Exporting Countries.

Nigeria is thought to be producing 1.6m b/d.

Professor Tam David-West, Nigerian Oil Minister, warned this week that the oil market would remain weak, and said that Nigeria would price its output flexibly to maintain sales.

Opec as a whole is thought to be producing about 16.5m b/d, well over the 16m b/d ceiling agreed less than a month ago at the organisation's ministerial meeting in Geneva.

The United Arab Emirates and Iran appear to be the main



transgressors apart from Nigeria, Iran in particular is achieving its high sales by discounting about $1 a barrel off its light crude, and 50c off its heavy crude.

The oil market's realisation that Opec is failing to observe its recently agreed lower production has behind much of the price weakness in Arab Light, the main Opec crude.

This has fallen from $28.05 to $27.50 in the week, compared with the official price of $29.

Opec's production cuts were based on the belief that demand for Opec oil would be 19m b/d in the winter months.

But the winter has so far been mild in the Northern Hemisphere and demand for Opec oil is believed to be no more than 17.5m b/d.

OECD stocks are thought to represent about 73 days' forward consumption, a similar level to those held a year ago. But buyers appear prepared to meet extra demand by destocking rather than increasing purchases.

A major problem for Opec is that its light crudes are overpriced in relation to its heavier crudes.

Arab Heavy is still trading at a premium to its $26 official price. An official from one Opec producer said yesterday that an increase in the official price of the organisation's heavy crudes was under consideration.

A committee consisting of the Oil Ministers of Saudi Arabia, the United Arab Emirates and Libya has been appointed by Opec to prepare the ground for a full Opec meeting in Geneva on December 19 to review price differentials.

China hails its first Communist millionaire

By Mark Baker in Peking

A PEASANT from China's Henan province who runs a prosperous co-operative has been declared the country's first Communist millionaire. His achievement has been hailed with the presentation of a plaque and laudatory national publicity.

It would be churlish to point out that Zhang Chengshan is not a genuine, U.S. dollar-rated capitalist millionaire (the Chinese yuan is quoted today at 2.7 to the dollar and slipping). But in a country where the average urban income last year was 500 yuan, Zhang is certainly doing very nicely.

In 1978, according to the Guangming Daily, Zhang and his family lived in poverty in a dilapidated thatched hut. After the Communist Party plenum of late 1978 at which Deng Xiaoping, the country's leader, began his economic reforms, Zhang set up a co-operative to manufacture agricultural equipment. Now he and his family live in a new 30,000-yuan house in the suburbs of Zhengzhou, capital of Henan.

Zhang owns a colour television, a stereo, music player, a washing machine, modern furniture, a car, a lorry, a four-wheel-drive vehicle and a motor-cycle. His income has not been disclosed, but the Guangming Daily says he paid 200,000 yuan in taxes last year.

Under China's new economic policies, peasants are being entreated to get rich quick through initiative and then help their comrades to follow suit. But this is the first time that such conspicuous prosperity has been exemplified.

The authorities are so impressed with Zhang that the Henan government this week presented him with an inscribed tablet.

"Having become rich he has never forgotten the interests of the state," the Guangming Daily said.

The paper added that, in addition to his taxes, Zhang had given 3,000 yuan to various government organisations and had brought medicines worth thousands of yuan to send to People's Liberation Army units

MARKETS

DOLLAR	STERLING
New York lunchtime	New York lunchtime $1.21725
DM 3.0335	London: $1.219 (1.228)
FFr 9.3	DM 3.6975 (same)
SwFr 2.504	FFr 11.3125 (11.3375)
Y245.55	SwFr 3.05 (3.0625)
London:	Y299 (300)
DM 3.029 (3.0135)	Sterling Index 74.9 (75.1)
FFr 9.2925 (9.225)	**LONDON MONEY**
SwFr 2.501 (2.49)	3-month interbank:
Y245.2 (244.3)	mid rate 9¾% (same)
Dollar Index 140.8 (140.2)	3-month eligible bills:
U.S. LUNCHTIME RATES	buying rate 8¼% (9⅛)
Fed Funds 8¾%	**STOCK INDICES**
3-month Treasury Bills: 8.44%	FT Ind Ord 910.3 (+0.4)
Long Bond: 103¾	FT-A All Share 549.62 (−0.1)%
yield: 11.34	FT-SE 100 1,158.8 (+0.6)
GOLD	FT-A long gilt yield index:
New York: Comex Nov latest $342	High coupon 10.11 (10.12)
London: $341¼ ($342)	New York lunchtime:
	DJ Ind Av 1,213.45 (+11.93)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 19; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,200; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 75; Spain Pta 100; Sweden Kr 6.50; Switzerland Fr 2.00;

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086.

Quebec's ruling party in crisis after resignations

BY BERNARD SIMON IN TORONTO AND ROBERT GIBBENS IN MONTREAL

THE RESIGNATIONS of several hardline nationalists from the Quebec Government has plunged the ruling Parti Quebecois (PQ) into its most serious crisis since it was formed in 1971 to promote Quebec sovereignty.

The final outcome of events during the last few days is by no means certain. However, the split between determined separatists and those favouring a softer stand on the independence issue has injected new fluidity into the debate on Quebec sovereignty in the run-up to provincial elections due next year.

Further clues to the PQ's future will probably emerge next week, once the results are known of a by-election to be held in Montreal on Monday.

By yesterday, five Cabinet Ministers and two PQ members of the Quebec provincial legislature had resigned or given notice of intention to resign. The most serious blow to the party is the departure of Mr Jacques Parizeau, the veteran Finance Minister and a London School of Economics graduate, who has been one of Premier Rene Levesque's right-hand men but also a potential rival since the PQ took power in predominantly French-speaking Quebec eight years ago.

The revolt was sparked by Mr Levesque's sudden statement last Monday that soverignty would not form part of the PQ platform in the forthcoming election campaign, and that the party would concentrate instead on economic issues. The statement reversed a party decision taken earlier this year to fight the election on the independence issue.

Mr Levesque's turnabout appears to be a pre-election attempt to shore up sagging public support for the PQ, which, according to opinion polls, has dropped to less than a quarter of the electorate. The party still has a majority in the 122-member assembly.

The Quebec Premier is known as a wily politician. Commenting on the crisis in the PQ, Mr Brian Mulroney, the Canadian federal Prime Minister, said yesterday that Mr Levesque "has been counted out before but is still kicking."

Independence is a less emotive issue in the province than it used to be, and has been replaced by concern about high unemployment. A key Levesque supporter, Inter-Governmental Affairs Minister, Mr Pierre-Marc Johnson, said that the dissidents "are making a mistake in their reading of the political reality in Quebec."

Europe's defence ministers pledge arms co-operation

BY BRIDGET BLOOM IN THE HAGUE

EUROPEAN defence ministers yesterday claimed to have achieved a "political breakthrough" in arms collaboration.

They endorsed a series of steps designed to enhance European co-operation, ranging from the early harmonisation of weapons requirements to a search for common technology and research projects. They also commissioned studies to analyse European defence industries.

Ministers also called for new attitudes towards the collaborative production of weapon systems from their officials and armed service chiefs. They pledged themselves to intervene to overcome obstacles to co-operation as their officials sought to reconcile national military and economic interests with European defence equipment programmes.

Mr Michael Heseltine, the British Defence Secretary, described the commitment to better defence co-operation as "a very significant step forward." It is seen in defence circles as complementary to last month's decision by the seven-nation Western European Union to strengthen European political co-operation on defence.

The parallel moves have been spurred on both by U.S. congressional criticism that Europe is not doing enough within Nato towards its own defence, but also by a desire to make European industry more competitive.

Other measures agreed include:

- new studies to determine the potential for greater rationalisation in Europe's defence industries.
- analysis of the possibilities of enhancing European co-operation in so-called command control and communications equipment.
- a comprehensive survey of national equipment requirements as well as studies on ways of improving the competitiveness of European defence industries.

The ministers confirmed that they had adopted three projects for future collaboration — a medium range surface-to-air missile, a transport aircraft and components for the next generation of main battle tanks.

Philippines expects GNP to fall by 6% this year

THE Philippines expects its gross national product to show a real decline of 6 per cent this year with no growth next year and a 1 per cent increase in 1986, Mr Cesar Virata the Prime Minister, said.

In a speech prepared for a meeting with bankers in Hong Kong, he said the Government expected a current account deficit of \$1.3bn (£1.22bn) this year, \$1.1bn next year and \$500m in 1986.

Last month a senior official predicted that the economy would grow by 2.5 per cent next year.

Mr Virata said Philippine exports would grow next year due to exchange rate competitiveness and a world market recovery for some of the country's more severely depressed products. However, he gave no precise figures.

He said imports would decline, with the country's oil import bill falling to between \$1.3bn and \$1.3bn in 1985 from \$2.1bn in 1983, he said.

According to preliminary figures the balance of payments deficit fell to \$34m in the first nine months of this year from \$897m a year ago and further improvements are expected in the final months of the year, he said.

Mr Virata also said tight monetary policies would be maintained to control inflation, which peaked at an annual rate of nearly 64 per cent last month.

The national budget deficit is expected to decline to 1 per cent of GNP in 1985 from 2.1 per cent this year due to Government spending limits and tax measures adopted this year.

He said new measures to generate additional revenue are planned for 1985 but gave no details.

Mr Virata is in Hong Kong to meet bank creditors who are being asked to endorse a restructuring of part of the country's \$25bn debt.

Mr Virata said the Philippines had been assured of \$2.1bn in new money from official sources this year and in 1985.

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Insurance rates for Kharg ships negotiable

By Richard Johns

LLOYDS war risks rating committee has put cargo rates for Kharg Island, Iran's main oil terminal, on "held cover," meaning that they are now negotiable rather than set at the recent level of 2 per cent.

The shift to "held cover" is to give underwriters greater flexibility in lowering rates following a prolonged lull in the Iraqi campaign against Iranian oil traffic. The last confirmed attack on a vessel took place on October 15 when the Iranian tanker Sivand was hit by an Iraqi missile after loading oil at Kharg Island.

Nevertheless, there is a wide expectation among well-informed diplomats and oil men of a resumption of hostilities in the near future. They say that Iraq is taking delivery of an improved version of the Exocet missile and Mirage fighters capable of delivering them. Preparation for deploying them could account for the period of quiet over the past five weeks.

Thus, any sense of greater security in the insurance market could be short-lived. In the meantime the hull rates set by leading Lloyds underwriters still remain at about 4 per cent.

Earlier this week Iraq renewed its threat against shipping entering its "war exclusion zone."

In an interview with Al Thawra, the newspaper of the ruling Baath Party, a spokesman for the country's naval and coastal defence command was quoted as saying: "Once again we warn owners of ships and tankers to keep them away from the prohibited zone. He who co-operates with the enemy or helps it prolong the war deserves destruction."

This month Iran's oil exports have surged to about 1.8m barrels a day and have been clearly facilitated by the lack of Iraqi aerial activity.

Three Koreans die in clash at Panmunjom

By Steven B. Butler in Seoul

ONE South Korean and two North Korean soldiers died yesterday morning in an exchange of fire in Panmunjom, the truce village in the four kilometre wide demilitarised zone between North and South Korea. One American and two North Koreans were wounded.

The incident occurred when a Soviet tour guide bolted across the military demarcation line, which bisects Panmunjom, in an apparent attempt to defect.

A spokesman for the United Nations command, which is composed of American and South Korean troops, said that up to 30 North Korean guards intruded across the demarcation line, firing at the defector. UNC guards returned the fire.

The shooting incident came at a time when North and South Korea have begun to discuss a range of issues.

Twice in the past 10 days delegations from North and South Korea met amicably in Panmunjom for talks which were punctuated with friendly chatter and laughter.

The incident could endanger the developing dialogue should either side choose to make an issue of it.

It seems inevitable that North Korea will press for return of the Soviet defector, who is reportedly in the custody of the UNC and undergoing interrogation.

None the less the fact that a third country national apparently caused the incident may make it easier for the two sides to treat the defection in a narrow context and to keep it from affecting the broader dialogue between North and South Korea.

Although firing incidents across the DMZ, along which more than 1m men are stationed, take place with some regularity, Panmunjom itself has been relatively free of incident since 1976, when axe-wielding North Korean soldiers killed two American officers.

Michael Thompson-Noel looks at a fledgling anti-nuclear party

Rock star tries to roll back Hawke

AUSTRALIAN ELECTIONS

MORE THAN six feet tall and fashionably cadaverous, with his skull shaved naked like an Olympic swimmer's, Mr Peter Garrett's current claim to fame is that he is the lead singer of the Australian rock band, Midnight Oil.

In next Saturday's general election, however, Mr Garrett may well gain elevation to the Australian Senate, for he is the spearhead of a fledgling anti-nuclear party for which support is mushrooming on the Left.

The Nuclear Disarmament Party (NDP) is contesting six seats for the House of Representatives (lower house), including Kalgoorlie and Canberra, and fielding 14 candidates for the Senate.

On the latest Morgan Gallup evidence in The Bulletin magazine, the NDP is unlikely to win a seat in the lower house, where Mr Bob Hawke's Labor Government is heading for easy re-election.

But its support in the Senate might yield two seats — for Mr Garrett in New South Wales, and for Mrs Jean Melzer in Victoria. Mrs Melzer, was an Australian Labor Party (ALP) member for 20 years, and Victoria's first female Labor Senator, but resigned from the ALP two months ago in grim displeasure at Mr Hawke's right-wing Labor Government.

This week, alarmed at the growth of anti-nuclear sentiment, Mr Hawke repeated his claim that a vote for the NDP would be "wasted." He was echoed by Mr Andrew Peacock, leader of the Liberal-National opposition, who claimed that most NDP candidates were former Labor left-wingers disillusioned with Mr Hawke's policies, particularly on uranium, the mining and export of which are now Labor-sanctioned.

Dressed in beige shirt, tight black trousers and black suede shoes, Mr Garrett rounded on Mr Hawke this week, claiming that Australia, under Labor, was firmly a "part of the nuclear world."

The NDP has three main policy aims:

- Closure of all foreign military bases in Australia.
- Prohibiting the stationing of nuclear weapons in Australia, or passage of nuclear weapons through Australian waters or airspace.
- Immediate termination of all mining and export of uranium. (Australia has more low-cost uranium than any other country.)

This week, the NDP issued a fleshed-out policy statement that called for the immediate closure of the U.S. bases at Pine Gap, North West Cape, Nurrungar and "all foreign bases which contribute to nuclear war fighting capability and make us a nuclear target."

It said all nuclear-armed or powered ships must be banned from Australian waters, and said that aboriginal people had a right "to land not devastated by uranium mining or nuclear testing."

That many tribal aboriginals prefer uranium mining to tourism, because it's more lucrative and less disruptive, was a detail perhaps not known, and certainly not dwelt upon, by the NDP.

The document praised New Zealand's anti-nuclear stand, and demanded a "Pacific nuclear-free zone with no testing, storage, transit or deployment of nuclear weapons, and no dumping of nuclear wastes."

It also called for an immediate end to Australian military aid to Indonesia and the Philippines.

In some polls, NDP support in the Senate race in NSW has ranged to 11 per cent. In Sydney 2,000 youngsters recently paid A\$6 (£4) each to attend an NDP rock night at the Coogee Bay Hotel, where one 24-year-old said: "Hawke needs more of a rein. Garrett's going for the Senate, not Prime Minister, so the single issue bit doesn't worry me. I'll vote for him."

Ahead of next Saturday's election, Mr Hawke is exuding more raw confidence than the entire Australian cricket team. But a shaven-headed rock star may cause him some fright.

Surge seen in W. German capital spending

BY PETER BRUCE IN BONN

GROWTH of some 4 per cent in capital investment next year in real terms should replace West Germany's strong export performance this year as the main factor in the country's economic growth according to forecasts published yesterday by a Government appointed panel of independent economists.

The so-called "five wise men" on the panel said the West German economy would probably grow at a real rate of 3 per cent next year, the most optimistic prognosis published so far. The Government's own forecast is for 2.5 per cent while the country's five leading economic institutes said at the end of last month that growth of only 2 per cent could be expected.

The "five wie men" also forecast a marginal increase of around 200,00 in emloyment, inflation rate from 2.5 per cent this year to 2 per centin 1985.

Broad Government reaction was that the forecasts confirmed that the coalition's conservative fiscal policies were working. At least one senior Economics Ministry official felt compelled to concede, however, that 3 per cent growth might prove too optimistic. The Government, he said, would stick to its own forecast, preferring not to raise expectations.

Although exports, according to the panel, would remain lively next year, a 4 per cent growth in capital spending, after growth of just 0.4 per cent this year would prove particularly significant. Investment in plant and equipment is forecast to grow some 10 per cent after growth of less than 1 per cent this year.

The important thing, the panel said, was that next year's investment would also concentrate on building new capacity, and not, as has been the casa this year, almost solely on rationalisation.

It forecast a sharp reduction in the Government's budget deficit from DM 29bn (£7.8bn) this year to DM 19.7bn in 1985 and well beyond the cautious DM 25bn being suggested by the Finance Ministry.

Although unemployment might fall marginally from the current total of 2.3m, an increasing number of new jobs will be for a limited period only.

Row erupts over Genscher's aborted trip

BY RUPERT CORNWELL

AN ill-concealed dispute has broken out between Herr Hans-Dietrich Genscher, the West German Foreign Minister, and leaders of the ruling centre-right coalition here in the aftermath of his abruptly cancelled visit to Poland this week.

Both Herr Franz-Josef Strauss, leader of the conservative Bavarian CSU, and Herr Alfred Dregger, head of the Christian Democrat (CDU)/CSU parliamentary group, yesterday implicitly attacked the Foreign Minister for concentrating too much on high profile travel to the East bloc—and too little on discreet diplomacy.

Herr Dregger admitted that the attitude of the Polish Government had left Herr Genscher no choice but to call off the trip. But, he commented, in current circumstances "we should travel less and work harder behind the scenes."

Herr Genscher however retorted last night by suggesting that the débâcle of the visit was in part due to loose talk by various right-wing politicians here of a return to Germany's 1937 frontiers — something which on paper would mean a new dismemberment of Poland.

Given the history of this century, "we must all realise here," he said in a television interview, "just how important certainty over Poland's existing frontiers is."

The raw nerves left by the cancellation, however, did not deter Chancellor Helmut Kohl yesterday from re-iterating his long-term goal of securing the right of both Germanies to decide freely on reunification.

He told the assembled diplomatic corps in Bonn that reunification was not an issue of the moment. But the Government's policy towards East Germany was aimed at both furthering detente, and "preserving the unity of the nation."

A Bonn spokesman yesterday rejected remarks by Herr Erich Honecker, the East German leader, that a divided Germany was indispensible for peace in Europe. Genuine stability in Europe depended on free self determination for the German people. The "German question" had not been settled, he said.

Moscow likely to seek test ban treaty

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET UNION is likely to give priority to efforts to secure a complete nuclear test ban treaty and measures to limit the development of anti-satellite and anti-ballistic missile systems when disarmament talks start in Geneva in January, diplomats in Moscow said yesterday.

Talks to reduce the number of intermediate range and inter-continental missiles on either side are less likely to interest Moscow, if only because chances of agreement are very slim.

By deciding to go to Geneva at all, the Kremlin is sidestepping its previous precondition of the removal of cruise and pershing missiles from Western Europe. Once Mr Andrei Gromyko, the Soviet Foreign Minister, and Mr George Shultz, the U.S. Secretary of State, start talking, however, the demand for the missiles' removal is likely to resurface.

The speed with which Moscow has agreed to start "talks-about-talks" in Geneva has come as a surprise to many diplomats in the Soviet capital.

But President Ronald Reagan's more conciliatory tone over the past few months has faced Soviet foreign policy with a dilemma. At the time the first cruise and Pershing 2 missile started to be deployed in 1983, Moscow wanted to demonstrate, say Soviet commentators, the "bankruptcy of the U.S. position-of-strength policy."

"When Washington started deploying the new nuclear weapons it gave assurances that the Russians would become more compliant at the Geneva talks once they were in the sights of the Pershings and would make concessions to their own detriment. As is known nothing of the sort happened," one commentator said.

The problem of this Soviet policy in the long term—and more particularly after President Reagan toned down his comments on East-West relations—is that it left Washington with the political initiative.

Concern grows over Salvador peace talks

By David Gardner in Mexico City

CONCERN is growing on both sides of the Salvadorian civil war that the peace process started last month in the talks at La Palma, in northern El Salvador, is running into the sands.

The Left-wing rebels of the FDR-FMLN are concerned that, with a week to go before the deadline for the second round of negotiations expires, the date and venue of the meeting has yet to be set.

At the same time, Sr Duarte is facing growing hostility to his initiative from El Salvador's entrenched far Right and from within the officer corps.

The terms of the second meeting are to be announced by the Archbishop Arturo Rivera y Damas of San Salvador at his weekly sermon tomorrow. The rebels have denounced this procedure as a unilateral imposition of terms which is compromising the church's role as mediator.

The logistics of preparing such a meeting are too complex for improvisation and "irresponsible showmanship," Dr Hector Oqueli, a rebel political leader, said.

"We don't want new surprises that endanger the dialogue and the security of those participating in it; the fact that there were no incidents in La Palma was a miracle," he said.

But the major threat to the peace process comes from the Right and the army, whose long standing mistrust of the Christian Democrat Sr Duarte's intentions has resurfaced. Both Sr Duarte and Major Roberto D'Aubuisson, the extreme Right leader linked to the country's death squads, have been visiting army garrisons assiduously in recent weeks. But the army appears to have set its face against a ceasefire, believing that dialogue with the rebels only serves to confer legitimacy on them.

Bolivia peso devalued

THE BOLIVIAN Government introduced a major devaluation and austerity package on Thursday, reports our Foreign Staff.

The COB trade union confederation, fearing a military coup d'état, responded guardedly to the measures and called off its nine-day-old general strike.

The new unified exchange rate is to be 8,751 pesos to the U.S. dollar. The new rate replaces the two-tier system introduced in August which fixed a rate of 2,000 pesos to the dollar for essential imports and 5,000 for non-essential goods.

The prices of some staple foods are to rise 300 per cent, petrol is to go up by 350 per cent and aviation fuel by 1,100 per cent.

Despite the increased hardship the measures are likely to cause many Bolivian wage earners, Sr Juan Lechin, leader of the COB trade union confederation, said his organisation would suspend its stoppage to consider the situation.

As the measures were announced the two Communist members of President Hernan Siles' Cabinet resigned in protest against his refusal to extend state control in the banking and insurance industries.

Centrists lead Uruguay's return to democracy

Jimmy Burns reports on tomorrow's elections

SR JULIO SANGUINETTI, the candidate of the centrist Colorado Party is being tipped by the polls to win Sunday's presidential elections here.

After a hectic three-week campaign for both presidential and general elections the Colorado Party is reported marginally ahead of the two main rival parties—the centre-left Balance Party and the left-wing coalition, Frente Amplio.

The elections are the first stage in a gradual return to democracy after 11 years of military rule. The military are due to hand over power on March 1, and after this a referendum on constitutional reform will be held.

The campaign was marred slightly by a last-minute outbreak of violence between rival groupings.

But the absence of any major police presence was in striking contrast to earlier this year when a clamp-down on Press freedom, the break up of demonstrations and the imprisonment of political leaders suggested that the military's president General Gregorio Alvarez, wanted to postpone indefinitely the fixed date for the elections.

The military have ceded to mounting popular pressure expressed over the past year by massive popular rallies and a successful general strike called by the outlawed trade union movement.

The elections have been overshadowed by the continuing ban on one of Uruguay's most popular political figures, Sr Wilson Ferreira Aldunate, the leader of the Blanco Party. He has been in prison since June, when he was arrested on return from exile on charges linking him to the Tupamaro urban guerrilla organisation. His imprisonment has been the Blanco's main campaign issue, and they have been forced to field a little-known lawyer as surrogate candidate, Sr Alberto Zumaran.

While the Blancos seem to have misjudged the mood of the electorate, the Frente Amplio has been winning support from the 600,000 first-time voters—one third of the electorate—and from among the estimated 40,000 returning exiles.

The main difference between the party programmes has been in their treatment of economic issues. Both the Blancos and the Frente have pledged agrarian reform and tighter state control of the banking system. The Colorados have pledged to respect a more balanced mix between the public and private sectors.

Partners study accountants' merger plans

BY ALISON HOGAN

PRICE WATERHOUSE and Deloitte Haskins & Sells' partners will this weekend pore over 250 pages of facts and figures on why the two firms of chartered accountants should merge to form the largest accounting practice in the world.

A decision will be announced before Christmas.

The merger prospectus was completed and distributed to the firms' partners in the UK yesterday, although the merger has still not been given the go-ahead from the Office of Fair Trading.

The Government delay in deciding a judgment on whether the merger should be referred to the Monopolies and Mergers Commission has unnerved the firms a little, particularly as the U.S. Justice Department, which was expected to give them the rougher ride, gave its approval after just 28 days.

The firms hope for a decision from the OFT by the end of the coming week.

The merger will only go ahead if there is a 75 per cent vote in favour from the firms' key national partnerships in the UK, U.S., Canada and Australia. Ballots will be secret and sealed voting papers will be returned to separate firms of lawyers in each country.

Voting will occur on different dates in different countries (probably the first week of December in the U.S. and a week later in the UK). All results will be held until all voting is completed and then forwarded to Mr Michael Coates and Mr Charles Steele, chairmen of PW and Deloitte respectively worldwide.

Price Waterhouse will take the senior position in the merged firm at the international and national level, but the document describes the merger as one of equals.

Profits will be shared equally, although PW is thought to be the more profitable at present. Senior appointments will also be drawn equally from the two.

The merger document emphasises the benefits to the firms in combining resources—financial, technical and staff. They hope to enhance certain areas, in particular, banking, insurance, the public sector, energy and high technology.

Clients will continue to be looked after by the same engagement partner. The firms insist there will be no disruption to clients.

They hope to strengthen their worldwide network, particularly in the main capital exporting countries, the U.S., West Germany and Japan.

Birmid Qualcast to close foundry at Wednesfield

BY ARTHUR SMITH

BIRMID QUALCAST is to close C & B Smith Foundries, of Wednesfield, West Midlands, with a loss of 463 jobs.

The foundry, established 75 years ago, supplies cylinder-heads for UK diesel engines, output of which bas fallen dramatically in recent years.

The Smith closure next October will mark the departure of yet another well-known name in Britain's troubled foundry industry.

C. & B. Smith shed 200 jobs earlier this year in an effort to become competitive. However, Mr Roger Crutchley, the chief executive, said last night that technical changes in diesel engines meant demand had continued to decline.

"Furthec contraction is forecast foc the future, and total requirements will not justify the retention of such a highly specialised class," he said.

Birmid Qualcast, the largest independent supplier of castings to the motor industry, reported that its foundry business was back in profit in the first half of this year after 1983's £1.5m loss.

● Priestman Brothers, the Hull excavatoc manufacturec which went into receivership with the collapse of its parent, Acrow, issued redundancy notices yesterday to 100 employees, a third of the workforce.

The receiver said the company's work in hand was running down quickly. No firm bid has yet been made for the company.

BSC in joint mill venture

BY ANDREW FISHER

CAPARO INDUSTRIES, the engineering group controlled by Mr Swraj Paul, is forming a new company with British Steel Corporation to buy and develop a mill at Scunthorpe, Humberside, which was closed by BSC in 1981.

The venture means the loss of 500 jobs at BSC plants at Jarrow, on Tyneside, and Monks Hall, near Warrington. At Scunthorpe 170 new ones will be created.

"It's a business we like," said Mr Paul, chairman of Caparo. It will have 75 per cent of the company, United Merchant Bar, being set up to make steel bars foc light manufacturing.

He pu the total cost of the project at £15m to £18m, including the initial £3.5m of equity. Caparo aims to take some of the 30 per cent of the light steel section market accounted for by imports.

The Monks Hall and Jarrow mills, unable to process 100 pec cent continnously-cast material, and remote from the Scunthorpe billet supply, will be closed in late 1985 or early 1986.

United Mecchant Bac will trade as the selling agent foc merchant bar products, of which BSC supplies 25 pec cent of the UK market.

Plessey to shed 218 jobs

BY JASON CRISP

PLESSEY IS to cut 218 jobs at Ilford. Th company told trade union and other employee representatives yesterday that the cuts would be necessary because of weak orders in the UK and overseas.

The wockforce at Plessey Marine, which mainly supplies the Ministry of Defence, is to be reduced by 93, more than a third of the total employed in the business. The other cuts are to be made at Plessey Military Communications, which is to lose 125 jobs by March.

Plessey employs a total of 3,050 people at Ilford, and it hopes to achieve some of the cuts through early retirement and other means before making any compulsory redundancies.

Mc Dave Liddell, regional regional directoc of Plessey, said: "Much of our military radio business in recent years has heen overseas, but reduced defence spending in our traditional markets and increasing international competition mean that our current manufacturing capacity exceeds the business we can ceasonably expect to win."

Lloyd's insurance 'detective' resigns

By John Moore, City Correspondent

MR KEN RANDALL, the in-house insurance "detective" of the Lloyd's insurance community and head of the market's regulatory services, has resigned from the Corporation of Lloyd's. He will join Merrett Syndicates, one of the largest underwriting agents in Lloyd's market, as managing director on January 1.

Mr Randall, 36, is believed to be joining the agency at a salary of more than £50,000 a year.

He said yesterday: "I had resigned before I decided where I was going. I had more than one offer from the market and I had not chosen which one."

As head of regulatory services in the market Mr Randall has been responsible foc investigating complaints and allegations against firms in the Lloyd's insurance community.

Up to 20 investigations are in progress simultaneously in the market arising from allegations, some of which are never made public.

Mr Randall was appointed to his position by Mr Ian Hay Davison, Lloyd's chief executive, when Mr Davison was brought in by the Bank of England to supervise Lloyd's affairs two years ago in the wake of a series of scandals involving alleged financial impropriety among Lloyd's firms.

Mr Randall, who has heen on the Corporation of Lloyd's staff for 10 years, said there had been no difference over policy. "Everything is fine as far as Lloyd's is concerned. I was after a change."

He was involved in Lloyd's inquiries into the affairs of Alexander Howden, where $55m (£45.5m) is alleged to have been misappropriated by former executives; the affairs of an underwriting of Minet Holdings, where more than £40m is alleged to have been misappropriated by former empoyees.

Mr Randall said: "Obviously I acquired a lot of information in this job. But this will remain confidential." He added: "I had an opportunity to join the Merrett organisation. It is going places and I wanted to be part of that."

Managers buy out hi-tech company

THE MANACEMENT of Kratos, a Manchester-based high technnlogy instrument makec, has bought the company from its U.S. parent for $10m (£8.2m). It was relaunched on Thursday as Spectros International.

The buy-out was led by two British directors, Dr John Waldron and Mr Roger Spear, and an American co-director, Mr Malcolm Kahn. Spectros employs 300 in Urmston and 100 in New Jersey. Its main mackets are in the U.S., Britain, West Germany and Fcance.

North Sea contract for Matthew Hall

MATTHEW HALL Engineering bas signed a contract expected to be worth £11m with Shell UK Exploration and Production, operating in the North Sea on behalf of Shell and Esso, foc the design of the surface sectors of their Eider platform.

Guernsey coins will depict Queen's head

THE QUEEN'S head ts to appeac on Guernsey's ordinary coins for the first time since the island introduced its own coinage in 1830. The change, designed to make Guernsey coios more attractive to collectors, will take place in April, when a set of seven coins will be issued depicting local activities.

Northern Ireland is expected to get its own version of the £1 coin in 1986 or 1987, Mr Nigel Lawson, the Chancellor, said in a Commons written repty yesterday. The Royal Mint said the coin's desgin will consist of a flax plant surrounded by the coyal diadem.

Wright portrait goes to National Gallery

A PORTRAIT by Joseph Wright of Derby of Mr and Mrs Thomas Coltman sold for £1,419,600 at Christie's yesterday. The painting is the first by Joseph Wright to be bought by the National Gallery, and it will be on view today. It was sold by descendents of the original owners and the price was a record for the artist.

Christmas boost for wine box sales

The South will buy the most hoxed wines of any region, followed by Scotland, the South-west, Lanchashire and Yockshire, a survey by the wine merchants, Stowells, suggests. Seventeen per cent of all wine buyers intend to buy wine boxes this Christmas and seven out of 10 Londoners will buy their wine this way, Stowells forecast. This represents a 20 per cent increase on last year.

Rolls-Royce maps out a flight path to profitability

Maximising sales in every sector and keeping a tight hold on costs. Those are the goals set by Mr Ralph Robins (right), recently appointed managing director of Rolls-Royce. **Michael Donne** explains why a "long and stable future" is foreseen for the aero-engine manufacturer.

MR RALPH ROBINS, the newly-appointed managing director of Rolls-Royce, has already set himself a top-priority target—eliminating the company's deficit and restoring profitability as soon as soon as possible.

This yeac, as a result of the reorganisation by its late chairman, Sic William Doncan, Rolls-Royce has said il expects to cut its 1983 net deficit of £193m by at least £100m. Mr Robins believes strongly that wiping out the deficit is the path the company must follow for the immediate futuce.

Mc Robins, 54, was appointed managing director of Rolls-Royce's business operations in the final management resbuffle arranged by Sir William before he died earlier this month.

After Sir William's death the Rolls-Royce board appointed Sir Arnold Hall, chairman of Hawker Siddeley Group and a tong-standing leader of the UK aerospace industry, as acting chairman.

Mr Robins who was confirmed as managing director says his philosophy is "to keep on down the road towards profitability we have already mapped out. Our task is to maximise sales in every sector of the market, civil and military, while at the same time keeping our costs undec tight control.

"We ace in a tough, competitive business, but we believe we are on the right track, and that we can make a tot of money in the years ahead. The bottom line is very important, and we are now well on the way to achieving the profitability we have worked so hard for."

In his view achieving a track record of profitability is vital foc any eventual privatisation of the company (about which he remains cautious) no date for privatisation has been set by the Government.

But profits are also vital for building up the reserves to finance the increasingly expensive business of aero-engine development.

Mr Robins, who has heen with Rolls-Royce since 1955, joined as a graduate engineer from Imperial College, London. He has been one of the principal architects of the company's strategy in recent years, occupying several senior marketing positions in his rise to the top.

He has been described as a "master salesman," and many of the major engine deals with civil airlines in recent years are the fruit of his skills.

He believes the company has the right mix of products for a long and stable futuce.

On the civil side, the company already opecates, or plans to operate, across the entire spectrum of engines. Where it has not been able to afford development of new engines by itself, it has arranged international ventures.

As a result, at the top end of the scale, it is collaboceting with General Electric of the U.S. on the 60,000 lb thrust CF6-80C2 engine, while continuing to promote its own high-thrust RB-211-524 D4 engines. In turn, GE has a stake in the development of the medium-to-high thrust RB-211 535 E4 engine.

Rolls-Royce is also a 30 per cent stakeholder in the seven-company, five-nation International Aero-Engines consortium, building the V-2500 for the A-320 Airbus and other new-generation airliners.

At the same time, the company is building the Tay jet engine for the Fokker F-100 and other small airliners, and is developing a "core" that can be turned into a variety of engines.

On the military side, the company's major programmes include the international RB-199 for the Tornado combat aircraft. A derivative is planned for another advanced fighter under the UK's own Experimental Aircraft Programme (EAP).

Mr Robins believes the company is poised to benefit from the substantial slimming of its labouc focce over recent years (at the end of 1983, it stood at 42,300, compared with close to 60,000 in the mid-1970s. The company is recruiting again, but only in specially selected skilled areas.

It will remain a tough business. In spite of the growth of international collaboration on new engine ventures, competition for civil and military engine orders is getting hotter. Keeping costs down — in terms of initial engines prices and costs of day-to-day engine operations in service — remains the overall key to success.

Test week for VAT changes

BY ANDREW TAYLOR

WHETHER PORTS and airports witt escape the worst of detays foceeast at the beginning of this month, when Britain switched to a new system for charging value-added tax on imports, will emerge next week.

There has been a slight increase in clearance times at Dover in the past few days, but generally the change-over has gone smoothly. The scheme's continued success will depend upon whether traders have negotiated sufficient bank guarantees to tide them through to the end of the month.

Under the new arrangements traders either have to pay VAT as soon as goods are landed or they can postpone payment until the 15th day of the mooth following importatioo, provided there are adequate financial guarantees.

Reports from Dover, one of the ports most at risk, say a number of importers have under-estimated the amount of guarantee they will need and are having to rush to the banks.

"The guarantees provide covec for a month so traders can start again fresh in December," the Freight Transport Association said yesterday. It has been monitoring the effects of the new arrangements

Bush House put up for sale

By Joan Gray, Construction Correspondent

BUSH HOUSE, the curved and colonnaded home of the BBC External Services in Aldwych, has heen put on the market for £50m by PosTel Investment Management.

PosTel—which manages the Post Office and British Telecom pension funds—is selling the four-building complex to release money for investment and help shift the balance of its portfolio from office properties to retail and industrial developments, said Mr John Bassett, of agents Jones Lang Wootton.

'Double standards' on BT

BY PETER RIDDELL

THE GOVERNMENT has been accused of double standards in its handline of the privatisation of British Telecom by Labour and Social Democrat spokesmen.

Mr John Smith, shadow Trade and Industry Secretary, has written to Mr Geoffrey Pattie, Minister foc Information Technology, questioning the provision in BT's articles of association allowing a restriction or regulation of attendance at general meetings if lots of people are allocated shares.

In another letter to Mr Pattie, Mc Ian Wrigglesworth, SDP industry spokesman, questions whether the exemptions from the normal investment protection legislation allowed in the BT flotation have led to double standards.

The Government should consider changing the law to permit the publication of part-prospectuses and advertising while retaining most previous safeguards, he says.

Mr Wrigglesworth also says the decision to postpone the despatch of letters of acceptance for three days after the date planned for the start of dealings may benefit larger shareholders at the expense of small

UK NEWS

BBC condemns external radio cuts

BY RAYMOND SNODDY

THE BBC yesterday condemned the Government cuts in financing its external radio services announced by Sir Geoffrey Howe, the Foreign Secretary.

Although the corporation was trying to clarify details, the BBC believes it faces a cut of £1.2m in 1985-86.

"At first sight it is difficult to see how this kind of cut in expenditure can be found without some damage to broadcast activities. This contrasts markedly with the $1.2bn (£977m) that the American Government has just made available in new funds for Voice of America," the BBC said.

The BBC believes the Foreign Secretary's action will do more damage than it appears because the corporation says it is already subject to rigid cash limits which "do not fully take account of domestic inflation, let alone inflation overseas—particularly the movement of the pound against the dollar."

The Government's action has particularly angered the BBC because it comes when a report on the future financing of the External Services is about to be considered by the BBC Governors. The report on the efficiency of the BBC's foreign broadcasts was produced by the Treasury, Foreign Office and the BBC.

There is also a feeling of irony in the BBC over the cause of renewed pressure on the foreign budget. Many feel it was the quality of the BBC's broadcasting, highlighting the extent of the Ethiopian famine, which helped to protect the aid budget and posed problems for the BBC budget.

The External Services are funded by the Foreign Office. In the current year, operating expenditure for broadcasting is £64.3m.

The External Services broad in 37 languages—including the World Service in English—and produce 720 hours of programmes a week.

This compares with other major international broadcasters. Radio Moscow broadcasts 2,150 hours a week in 84 languages. American stations produce 2,000 hours a week in 48 languages. When the expansion at Voice of America is completed the total will be 2,500 hours in 60 languages.

Much of the American expansion will be in broadcasts to Europe, where the BBC has been forced to cut back because of previous economies. As a result of the last cuts in budget between 1981-83, three languages were lost—Spanish, Italian and Maltese. The French service and the Portuguese service to Brazil were halved.

The only good news for the BBC in Thursday's announcement was that £2m in spending planned to upgrade the Hong Kong transmitter will be forward.

There is also a suggestion that there might be some compensation to offset movement in exchange rates. However, this is likely only after the economies have already been made.

CUTS IN the budget for Britain's overseas representation announced by Sir Geoffrey Howe are storing up trouble, five trade unions in the Foreign Office said yesterday.

The unions said: "Countries where embassies are shut will read the obvious lesson that Britain does not care about them. The loss of consular posts will mean a loss of consular services for British subjects in distress and a cut of commercial aid and advice for would-be British exporters."

They said the annual exercise of lopping off another part of Britain's external effort had "steadily reduced the effectiveness of British diplomacy." The diplomatic service had shrunk 14 per cent from 1967 to 1979 and a further 10 per cent since 1979.

The unions said that Thursday night's opposition to the cuts by more than 40 Conservative MPs, as well as the main Opposition parties, recognised that they "have now gone too far."

Attack on Bill to raise election deposits

BY PETER RIDDELL, POLITICAL EDITOR

THE REFUSAL of Mr Leon Brittan, the Home Secretary, to change his proposal to raise the deposit for parliamentary elections from £150 to £1,000 was strongly attacked yesterday by Opposition leaders when the Representation of the People Bill was published.

Mr Brittan had previously promised to consider strong Opposition arguments against the size of the planned increase, but has decided not to change the proposal which, he said yesterday, would make "frivolous" candidates think twice about standing. However, he pointed out that the plan to reduce the threshold for forfeiture of deposits from 12½ to 5 per cent of the total votes cast would improve minority parties' prospects of retaining their deposits.

Mr Gerald Kaufman, Shadow Home Secretary, described the change as "unacceptable," especially in view of earlier assurances about the need for all-party agreement. Mr Alan Beith, the Liberal Chief Whip, warned the Government of "a very difficult time in the Commons" since the change was "clearly designed to suit a rich Conservative party."

The Bill also contains the expected extension of the vote to holidaymakers and British citizens resident abroad up to seven years after leaving the UK. The change for holidaymakers has been widely welcomed.

There would be a change in legislation dating from 1797, under which an election would be cancelled if the monarch died between the dissolution of parliament and the meeting of its successor, even if an election had already been held. Instead, a parliamentary general election would be postponed for a fortnight of the death of a sovereign occurred after the dissolution of parliament. Until the last century a general election automatically followed the death of a monarch.

Fowler studies stricter embryo research controls

BY KEVIN BROWN

THE GOVERNMENT is considering swift action to step up controls over medical research on human embryos, Mr Norman Fowler, the Social Services Secretary, told the Commons yesterday.

Opening a debate on human fertilisation and embryology, Mr Fowler said MPs had to face up to the moral dilemma posed by the recommendations of the committee of inuiry into the issue chaired by Dame Mary Warnock.

The committee called for an independent statutory authority to licence embryo research, which it recommended should be permitted up to the 14th day after fertilisation.

Mr Fowler said research guidelines had already been published by the Medical Research Council, the Royal College of Obstertricians and Gynaecologists, and the British Medical Association.

However, the Warnock Committee was right to urge a substantial non-professional involvement in supervision, which did not currently exist.

"I shall therefore want to consider carefully not only whether a statutory body should be established but also how we can introduce more broadly based supervision arrangements in the short term," he said.

"Developments in this field are moving too fast for us not to be ready to move with them."

Mr Fowler was cheered by backbench MPs on both sides of the house when he promised an urgent decision on the second main recommendation of the report — that the commercialisation of surrogate motherhood should be outlawed.

Mr Fowler warned that commercial surrogate arrangements could already be illegal under the 1958 Adoption Act which provides criminal sanctions against payment for the transfer of custody of a child with a view to adoption.

The Commons was unusually full for a Friday sitting and, in an emotional debate, the concept of embryo research was condemned by the majority of MPs.

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	6.75	7.75	8.00	Seven-day account
			8.50	Higher interest acc. 90 days' notice or charge
			5.50-8.00	Cheque-Save
Aid to Thrift	9.60	—	—	Easy withdrawal, no penalty
Alliance	7.75	8.75	9.30	7 days' notice. Imm. wdl. if balance £2,500+ Int. pd. ½-yrly., mthly. inc. optn. if bal. £1,000+.
			9.50	Bank Save. Bal. of £2,500. Current account
Anglia	7.75	8.75	9.30	3-year bond. No notice, 3 months' penalty
			9.80	Capital share. No notice. 1 month's penalty
			9.30	7 days' notice. No interest penalty
Barnsley	7.75	9.50	9.65	Special Inv. 9.85 2 years, 9.65 monthly income
Birmingham and Bridgwater	8.00	9.25	9.38	5 days' not. or 20 days' int. pen. for imm. wdl.
			9.86	90 ds. shrs., 90 ds. nt. or 90 ds. pen. for im. wdl.
Bradford and Bingley	7.75	8.75	9.50	Premium Access. On demand, no penalty
			9.75	Extra Interest—1 mth.'s notice or 28-day pen.
			9.55	Extra Income—1 mth.'s notice or 28-day pen.
			9.80	High Income—3 mths.' notice or 90-day penalty
Britannia	7.75	8.75	9.30	7 days' notice. 9.55 28 days' notice
Cardiff	9.30	9.40	9.80	90 days' notice penalty if balance under £10,000
Catholic	9.00	9.00	10.00	Jubilee bond. Min. £1,000. Monthly income
Century (Edinburgh)	8.85	—	9.30	permanent 2/3 years or variable
Chelsea	6.75	7.75	8.90	3 years, immediate withdrawal interest penalty
Cheltenhem and Glouceeter	—	7.75	—	Gold. No notice. No pen. Under £1,000, 6.75; Over, 9.25; £5,000+, 8.57 mthly, interest added
Citizens Regency	8.00	—	9.20	7 days. 9.00 monthly income
City of London (The)	8.00	9.75	9.85	3 months' notice—no penalty—monthly income
			9.55	21 days' not. im. access for amnts. over £10,000
Coventry	7.75	9.00	9.60	Money Maker £20,000+, 9.35 £5,000+, 8.75 £1,000+. Instant acc., no pen. Mnthly. inc. opt. 10.00 2-yr. bond £1,000+, close 90 days' notice pen., monthly inc. option. Guaranteed 2.25 diff.
Derbyshire	7.75	9.00	10.00	2 y., 3 m. not. with pen. 9.25 no nt./pn. m. inc.
Gateway	7.75	8.75	9.40	Gold Star £1,000+. No notice. No penalties. Monthly int. £5,000+ 9.82 if added to account
Greenwich	7.75	—	10.00	90-day a/c (7-day a/c 9.25-9.75 subject to bal.)
Guardian	8.00	—	10.25	6 months, 10.00 3 months, £1,000 minimum
Halifax	6.75	7.75	9.00	7-day Xtra, 7 days' notice, no penalty
			6.25	28-day Xtra, 28 days' notice, no penalty
			8.50	90-day Xtra, 90 days' notice, no penalty
Heart of England	7.75	9.00	9.80	90-day notice, 9.30 5-day notice
Hemel Hempstead	7.75	9.25	10.00	2 years, 9.65 28 days, 9.85 3 years
Hendon	8.90	—	9.50	7-d. a/c min. £500. 10.00 3 mths. a/c min. £1,000
Lambeth	7.90	9.00	9.60	7-d. a/c, 10.25 Magnum a/c 6 wks. & loss of int.
Leamington Spa	7.85	—	9.60	Spa mthly. Income; no not., no pen. £5,000 min.
			9.50	Lion sh.; 1 m. not. or 28 days' pen. £1,000 min.
			10.15	Supershare; no not., 14 days' pen. £2,000 min.
Leeds and Holbeck	7.75	9.50	9.55	Monthly interest. 9.80 28 days' notice or penalty. Neither if £10,000 still in account
Leeds Permanent	6.75	7.75	8.00	Liquid Gold no not. no pen. HRAS 8.5 3m. not.
Leicester	7.75	9.75	9.30	£500+ im. ac. no pen. 10.25 comp. 3 y. £2,000+
London Permanent	8.25	—	10.25	3-yr. tm. Im. wdl. 90 dys. pen. £10,000+ no pen.
Midshires	7.75	9.25	10.00	2-year term 2.25 diff. guar. 3 mths.' not. or pen.
Mornington	*9.30	7.80	9.50	£2K+, 9.80 £10K+, 10.00 £20K+. * £2,000—
National Counties	†8.05	9.05	10.15	90 days' notice, no penalty. † £1,000+
National and Provincial	7.75	8.75	9.80	90 days' notice/pen. unless bal. stays £10,000+.
			9.55	28 days' not., 9.30 7 days' not./penalty as above
			9.75	HYS (share + 2% guaranteed 3 years)
Nationwide	7.75	9.75	9.80	Capital bonds, 3 yrs., 90 days' notice/penalty
			9.80	Bonus-90, 90 days' notice/penalty
			9.55	Super bonus, 28 days' notice/penalty
			9.30	Bonus-7, 7 days' notice/penalty
Newcastle	7.75	9.00	9.25	90 days' notice, 9.00 28 days' notice
			9.75	7 days' notice. On demand with penalty
			10.00	2-year term access with penalty
Northern Rock	7.75	9.00	9.35	Moneyspinner plus £500 or over
			9.60	(£5,000-£19,999); 9.85 (£20,000 and over) 7 days' notice withdrawal, no penalty
Norwich	8.00	9.25	—	
Peckham	9.50	—	9.75	Imm. withdwl. if over £2,000. Monthly income
Peterborough	7.75	9.05	10.05	Flexi-Plus 60 days' notice monthly income
Portman	7.75	9.25	9.50	No notice, 9.75 2 months' notice
Portsmouth	8.05	9.55	10.20	3 years, 10.00 6 months, 9.75 1 month
Property Owners	9.25	9.75	10.00	3 mths., 9.65 28 d., 9.85 6 mths. Effective Nov. 1
Scarborough	7.75	9.00	9.75	2-year limited share, 1.75 guaranteed differentl.
Skipton	7.75	9.00	9.85	Sovereign £10,000+, 9.80 £500 £9,999. Monthly inc. 9.60 min. inv. £2,500. Inst. access no pen.
Stroud	7.75	9.00	9.85	3 months, 9.60 £10,000+, no penalty, no notice
Sussex County	7.75	9.25	7.75	up to £2,499, 8.00 £2,500+, 1 mth.'s notice 9.00
Sussex Mutual	8.25	9.50	9.50	Over £5,000 imm. wdl. Under £5,000 7 days' not.
Thrift	8.40	—	9.40	3-year term. Other accounts available
Town and Country	7.75	8.75	10.00	90 d. not. or pen. No not./pen. if bal. £10,000+
			9.50	7 d. not. or pen. No not/pen. if bal. £10,000+
Wessex	9.60	—	—	
Woolwich	7.75	—	9.30	7-day account, 7 days' notice
			9.55	Monthly Income Account, 28 days' notice
			9.80	90-day account, 90 days' notice/penalty
Yorkshire	7.75	8.75	9.80	Diamond key, 28 days' notice or 60 days' pen.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Move to prevent TV experiment in Lords

By Our Political Correspondent

A LAST-MINUTE attempt will be made on Tuesday to prevent the start in January of the six-month experiment of televising the proceedings of the House of Lords. Lord Chalfont has proposed an amendment delaying implementation until the Commons decides on a similar experiment.

The go-ahead is expected for televising in January but Lord Whitelaw, Leader of the Lords, will emphasise that there is no Government commitment to pay for it and that the broadcasting authorities have said they cannot pay the full cost of permanent television. The debate will be conducted with the lighting necessary if the whole proceedings are televised.

ECONOMIC DIARY

TODAY: Trade unions which replaced Solidarity to hold first national meeting in Warsaw.

TOMORROW: First Uruguayan general elections in 13 years.

MONDAY: CBI monthly trends enquiry for November. EEC Foreign Ministers meet in Brussels. Mr Neil Kinnock, Labour Party leader, to meet President Chernenko. Emergency debate in Commons on supplementary benefits payments. Paris Club holds debt rescheduling talks on Poland, Niger and Liberia.

TUESDAY: Sir Geoffrey Howe, Foreign Secretary, visits Brussels for talks on future of Gibraltar. U.S. budget report (October). Commons debates shipbuilding.

WEDNESDAY: New vehicle registrations in October. TUC General Council meets. Deadline for British Telecom flotation share applications. CBI statement.

THURSDAY: EEC Health Ministers meet in Brussels. EEC Budget Council meets in Brussels. October final figures for unemployment and unfilled vacancies. Employment and earnings by industry (August—final). September energy trends. Overseas travel and tourism figures for September. NUM executive meets in Sheffield. Mrs Margaret Thatcher starts two-day Franco-British summit in Paris. U.S. leading economic indicators for October. Changes in level and coverage of regional assistance introduced. Scottish TUC conference in Glasgow on coal dispute. Mr Tom King, Employment Secretary, Mr Pat Lowry, ACAS chairman, and Mr Gavin Laird, AUEW general secretary, at CBI Conference at Cafe Royal, W1.

FRIDAY: Company liquidity survey for third quarter. October final figures for car and commercial vehicle production. U.S. trade figures (October). Mrs Margaret Thatcher attends Franco-British Society meeting in Avignon. Mr Neil Kinnock and Mr Arthur Scargill, president of the NUM, attend Labour Party rally on coal dispute at Stoke-on-Trent.

LABOUR

Coal lorries replenish Didcot power plant

By Maurice Samuelson

DIDCOT power station, one of the largest in southern England, is receiving its first regular coal deliveries since the start of the miners' strike.

Convoys of tipper lorries are ferrying about 1,000 tonnes a day to the Oxfordshire plant from stocks in the south Midlands, despite claims by some union officials that this infringes the TUC guidelines on replenishing power station stocks.

The 1,800 megawatt plant is the first large coal-fired station outside the Midlands to receive regular coal deliveries during the strike.

This has caused satisfaction in Whitehall. However, officials are playing down suggestions that it signals the long-awaited start of a civilian "coal lift" into other large installations such as those at Drax, Eggborough, Ferrybridge and Thorpe Marsh in Yorkshire.

Although some plant managers are impatient to boost their stocks in time for the winter heating season, senior executives are determined to scotch any move which could inflame industrial relations at the power stations or attract flying pickets back to working coalfields.

Didcot is receiving only a fraction of the 85,000 tonnes a week which it normally receives by train. But its managers hope that, with the continued acquiescence of the workforce, the road deliveries can be gradually increased.

Didcot and the 2,000 Mw plant at Aberthaw, South Wales, normally provide most of the coal-field electricity in the south-west region of the Central Electricity Generating Board, where supplies are more stretched than elsewhere. As a result of the strike, most of the region's electricity is being generated by oil and nuclear power.

The CEGB sent its first two trial convoys into Didcot a fortnight ago but the attempt was quickly abandoned when some of the 475 manual workers were persuaded by union leaders not to unload them near the boilers.

The management resumed deliveries on Monday at the rate of 300 tonnes a day, rising to 1,000 tonnes a day by mid-week.

The National Coal Board says that it is supplying all its customers at the rate of just over 950,000 tonnes a week, from new output and from stocks.

However, power station managers complain that some of the coal lifted from stock is of poor quality and that it has deteriorated further because of the recent heavy rain.

John Lloyd assesses the life left in the pit strike

The uneven drift back to work

THE National Coal Board is clearly determined to keep the drift back to work drifting along: as the "special offer" of £650-plus before Christmas ends in most areas this week, another package has been developed for the long-time working miners, with a little for starters as well.

Further, many areas reported yesterday a willingness to try to push through the special offer payments before Christmas if they could though only Scotland guaranteed it. It is clear that the board will bend the rules, cut corners and play all the tricks it can to continue to undermine the strike through the "drift back."

But is it working? The table shows the present state of the main "strikebound" fields—though in some cases, that title is wearing thin. In the western area—comprising Lancashire, Staffordshire and North Wales—the strike has clearly all but crumbled. Only in Lancashire, where it was never wholly solid—but where most miners have been on strike, is there still a significant minority striking.

North Derbyshire is also heading towards the 50 per cent mark, a tribute to the hard and—in the early days—apparently unrewarding work of Mr Ken Moses, the area director and his management colleagues. Though the rate of the drift has slowed as the absolute total rises, there seems little doubt that North Derbyshire will see well over half its miners back at work.

In other areas, there is a great deal of variation. Among the "solid," left-led areas, Scotland is showing the largest proportion of defections—especially at the big Bilston Glen pit, which Mr Mick McGahey, the National Union of Mineworkers vice-president, refers to as his "Achilles heel."

There too, however, the rate of drift has slowed—though not by so much that it can be said to be tailing away. Scots miners are being told they can still qualify for the special offer all next week. Which seems certain to guarantee further defections.

Though Scotland is "in front," the north-east area, once apparently as solid as a rock, is coming up fast among non-strikers. In the past week, indeed, it has shown the most rapid rate of increase, with a tripling of the miners back at work. Yorkshire, the biggest area, has seen a doubling but the proportion of men at work remains under 5 per cent, so that both the national and area leaderships can claim that the heartland is fairly solid.

Indisputably solid are two areas—South Wales and Kent. Both have militant leaderships and a long history of rank and file radicalism (which the North-East and Yorkshire both lack). Miners are going back, in small groups. In Kent, those who are discouraged tend to put pressure on their leaders to end the strike by constitutional means.

The figures in the last three columns of the table are snapshots at the end of the weeks when the special offer has been available, after the breakdown of the last round of talks. Can the board continue with a rate anything like as high?

Many board officials believe the rate will stay relatively high—perhaps around 4,000-5,000 next week. They believe that once the proportions have reached the levels they have in many areas the difficulty of crossing picket lines is reduced.

As week follows week, as no talks are arranged, as money baits continue to be dangled in front of the striking miners, as the NUM appears to have few initiatives up its sleeve, the best bet must be that the drift will continue.

However, it will not break the strike this side of Christmas: those forecasts were too optimistic. Instead, the senior officials of the board are agreed that the most likely outcome will be that 50 per cent of the miners will have returned by the end of January, giving the NUM executive the choice of continuing the strike as a minority, or throwing in the towel. That looks possible but reports of the death of this strike have been consistently premature.

WORKING MINERS IN NCB AREAS ON NOVEMBER 23, 1984

Area	"New faces"	Total at work	Total miners*	Per cent working	Per cent on Nov 16	Per cent on Nov 9
Scotland	65	1,665	10,000	17	10	4.7
North-east	275	2,596	20,300	13	4.3	0.4
Yorkshire	232	2,529	53,000	4.7	2.3	0.5
Western	77†	10,994†	14,000	78	72	66
Kent	5	116	2,200	5.2	3	1.6
S. Wales	7	117	19,600	0.6	0.4	0.2
Midlands:						
N. Derby	176	4,282	10,500	41	99	22

Notts., S. Derby, Leicestershire and Warwick fields in the Midlands area all have at least 90 per cent of their miners at work.

* Figures are approximate. † Three shifts on Nov 22.

Source: NCB

Working miner attacked at home

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE VICIOUSNESS of attacks on working miners was highlighted yesterday when Mr Michael Fletcher, a miner at Fryston pit near Castleford, in North Yorkshire, was savagely beaten by six men in his own home.

Mr Fletcher, the 24-year-old father of two young children, was stopped by about 20 men as he walked to Fryston for the morning shift. They began punching him, before he escaped and ran home to telephone the police.

But six of the attackers, some wearing balaclava helmets, followed him, broke down his door and — while his wife Josie hid upstairs with their children — beat him repeatedly with what he later described as baseball bats.

Mr Fletcher was taken to Pontefract general hospital with a broken shoulder blade, a dislocated elbow, chipped ankle bones, severe bruising and suspected broken ribs.

Speaking from his hospital bed, Mr Fletcher said yesterday: "I had an idea this sort of thing could happen because I had already been threatened." He said he recognised one of his attackers as a former workmate at the pit.

"I had to go back—the bills kept coming and Christmas is coming. I will be back as soon as possible because I don't think there will be an end to this strike for a long time."

Mr Peter Walker, Energy Secretary, condemned the "disgusting brutality" of the attack, and called on Mr Arthur Scargill, the NUM president, to follow suit. The Prime Minister has also made known her shock at the incident.

A National Coal Board statement described Mr Fletcher's beating as "an IRA-style attack."

The board said: "Far from being scabs as Messrs Scargill and Heathfield have branded them, these men are braver than [illegible]liery near Doncaster.

The police said one of their officers and two pickets out of about 1,200 were injured early yesterday. They said an electrical transformer at the pit had been "expertly damaged."

Usdaw members vote for closed shop

BY DAVID GOODHART, LABOUR STAFF

THE LARGEST single group of workers to defy TUC policy and participate in a closed shop ballot has overwhelmingly supported its retention.

About 9,000 members of the Union of Shop, Distributive and Allied Workers, at three separate sites of the British Mail Order Corporation in Lancashire, voted to have a closed shop in proportions varying between 90 per cent and 98 per cent.

The official line of Usdaw and the TUC is not to accept the provisions of the 1982 Employment Act which provide that a worker cannot be fairly dismissed for non-membership of a union unless the closed shop has been approved in a ballot by between 80 per cent and 85 per cent of workers. However, the marked success of the unions in some ballots may encourage more to turn a blind eye to TUC policy.

Usdaw has also won clear support for another large closed shop at Kays Mail Order in Leeds and Bradford where it has about 1,500 members.

However, at another Kays plant in Worcester the Transport and General Workers Union lost two out of three closed shop ballots — losing among clerical and managerial staff and winning among manual workers.

Usdaw officials, although opposed to the ballots at Kays and BMOC — both owned by Great Universal Stores — campaigned for a yes vote once the companies had made it clear they were going ahead.

Mail order employees are partly clerical and partly warehouse workers. Usdaw had a strong recruitment drive in the mid-1970s and one official said yesterday: "This is a clear vote of confidence in what we have done to improve wages and conditions over the past few years."

Many companies are based in former mills and often employ many of the former textile workers with their strong union traditions.

Another recent Usdaw success was among a smaller group of 88 employees at the Rank Hovis McDougall plant in Leeds where the closed shop was approved by 94 per cent of those voting.

The union is in the middle of a nation-wide review of its attitude towards the Government's employment legislation. It has had four regional conferences and is holding another over the weekend in Eastbourne.

ITV technical staff set to take 8% offer

By Our Labour Staff

MOST of the technical and production staff in the ITV companies have voted to accept an 8 per cent pay rise and reject union calls to take strike action over a 12 per cent claim.

Members of the Association of Cinematograph, Television and Allied Technicians (ACTT) have voted 3,270 to 550 to accept the offer, and only the 550 Thames TV members remain to be counted.

The ACTT shop that came narest ot rejecting was Granada "live" which voted to accept by 203 to 199. Granada is one of the centres of dissatisfaction with the status and role of production assistants.

A number of other unions at ITV has yet to formally accept the 8 per cent offer but are expected to fall in behind the ACTT. The electricians' union, the ETPU, may, however, hold a ballot on strike action over a shorter working week.

Walk-out at VAT offices

By Our Labour Staff

BRITAIN'S 80 VAT collecting offices were hit by industrial action yesterday. In at least 21 there were walk-outs and at others a sit in or deputations to collecting officers and MPs.

Staff are protesting over proposals to close 35 VAT offices and to down-grade others. Many of the 600 staff face the threat of redundancy.

The Civil and Public Services Association said the cuts were being made despite staff shortages which have resulted in £1.4bn uncollected VAT.

Further industrial action is planned in an attempt to have the proposals withdrawn.

Smaller civil service unions settle dispute

MEMBERS of the two smaller unions involved in the six-month social security computer dispute voted overwhelmingly yesterday to return to work.

The Society of Civil and Public Servants voted 30 to six and the 12 Civil Service Union members voted "almost unanimously" to return to work at the Newcastle and Washington computer centres. Although both unions have pledged not to do work covered by the Civil and Public Services Association, which remains on strike, their decision may increase pressure on the CPSA to end its action.

Reuters ballots workers

BY DAVID GOODHART, LABOUR STAFF

THE FIRST closed shop ballot to be held among Fleet Street production workers is being conducted by Reuters, the international news agency.

The company has decided to ballot its 335 members of the National Graphical Association and 520 members of Sogat '82 despite strong opposition from the unions. It is not, however, balloting the 140 members of the National Union of Journalists who are also covered by a closed shop.

Mr Kevin Garry, the Reuters' assistant general manager, said: "We have had a lot of members of Sogat and the NGA asking us if they can leave the union but there appears to be nothing contentious about the NUJ closed shop."

The Electoral Reform Society is conducting the ballot and papers were sent out to union members' homes last Wednesday. Both Sogat and the NGA have told members to return the forms uncompleted to union officials.

Ballot papers are due to be returned to the Society by December 7 and the result should be known by December 10.

● NUJ officials at the Portsmouth News reported yesterday that the papers' attempt to move to sub-editing on VDU screens without the cooperation of NUJ members had failed and that working sub-editors had resorted to traditional methods.

Murray has heart surgery

BY OUR LABOUR STAFF

MR LEN MURRAY, 62, the former TUC general secretary, has undergone by-pass heart surgery at the National Heart Hospital in London. His wife said yesterday that he was making a satisfactory recovery from the operation, performed on Thursday.

Mr Murray stepped down from his post after the Brighton TUC congress in September.

The operation was carried out by Mr Magdi Yacoub, the heart transplant surgeon. Mr Murray has been a patient at the hospital since November 12.

His wife Heather, said: "The hospital tells me he has had a very comfortable night and they are very satisfied with the progress he is making. I saw him last night after the operation but he was not then fully conscious."

She said her husband had a heart attack 10 years ago and in the last few years has suffered from angina.

Scots stoppage on GCHQ ruling

By Our Labour Staff

THOUSANDS of civil servants in Scotland staged a half-day strike yesterday in protest at Thursday's ruling by the Law Lords that the Government had the right to ban trade unions at its Cheltenham communications centre, the GCHQ.

Four unemployment offices in Edinburgh were forced to close, and Department of Health and Social Security offices in Dundee and Galashiels were also affected.

The DHSS computer centre at Livingston, which handles giro payments, was disrupted and 85 per cent of staff at the National Engineering Laboratory at East Kilbride left work at noon.

Civil servants walked out of the Department of Registers in Edinburgh, where records of House purchases and wills are kept.

The Society of Civil and Public Servants was unable to say how many of Scotland's 45,000 civil servants joined the stoppage, but reported that staff ranging from messengers to senior technical and professional grades were involved.

Staff worked normally at the Royal Navy submarine base on the Clyde and at Rosyth naval dockyard on the Forth.

THE WEEK IN THE MARKETS

The City gets through to Telecom

LONDON

ONLOOKER

IN THE rush to secure application forms for the British Telecom issue before the deadline next week, investors were in little hurry to buy or sell shares this week.

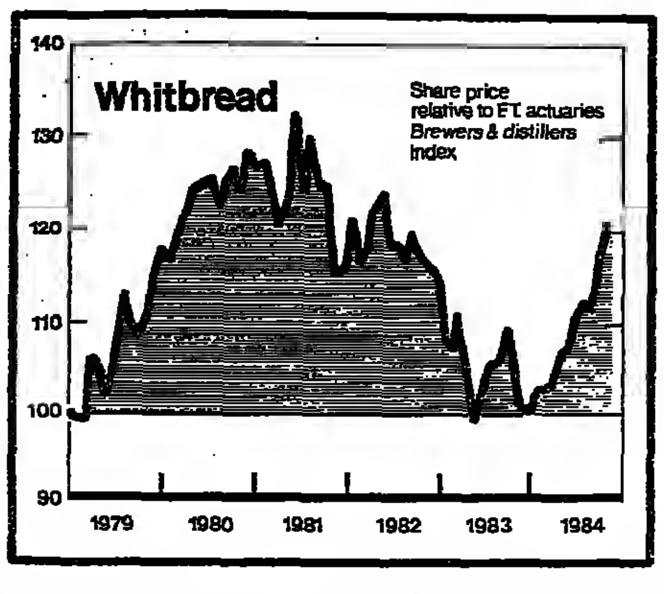
Cuts in leading bank base rates, which will make the 7 per cent yield on BT that much more attractive, had already been discounted in the market. Barclays led the way with a ½ per cent cut to 9¾ per cent on Monday, anticipating the decision by the U.S. Federal Reserve Board on Wednesday to bring its discount rate down by ½ per cent to 8½ per cent.

Other leading UK banks followed on Thursday, reducing their rates by ½ per cent to 9½ per cent, but the reductions are unlikely to make much immediate impression on the *building societies which* cut mortgage rates earlier this month.

Falling interest rates did little to suport sterling. The pound was in any case under pressure from oil prices slipping in response to rumours that Opec will be unable to enforce production quotas. Inevitably, oil shares also had a tough week.

What action there was in the equity market was concentrated in retailing, stimulated by the deals between Marks & Spencer and Tesco, and between BATs and Dee Corporation, which are described below, and Dixons bid for Currys.

But a generally dull week will have done no harm at all to the prospects for BT, with all three main market indices bumping along quietly just below their all-time record highs. Rumours already abound that the issue will be over-subscribed and the last day for submitting application is not until Wednesday.



Dee's new pitch

Mr Alec Monk, chairman of the Dee Corporation supermarket group, is not a man to hang around.

While the Monopolies and Mergers Commission labours over the bid for Booker McConnell, Mr Monk announced a £180m agreed deal to buy International Stores from BAT Industries.

The acquisition takes Dee into fourth position in the supermarket food sales league—behind the Co-op, Tesco and Sainsbury, but ahead of Asda. And it gives Mr Monk one of the last available chains in the South of England, something which may go down well with the Monopolies Commission since the Government has indicated in the past that it would like a strong third force in London to rival Tesco and Sainsbury.

Also if to dispel any doubts about its ability to get a grip on International, Dee also announced interim pre-tax profits for the period to the end of October, which showed a 40 per cent increase to £17m, on sales up 24 per cent to £853m.

The acquisition statement left no doubt that the group's eyes are fixed firmly on further expansion. The assets and £30m cash acquired reduce Dee's net debt/equity ratio from 83 per cent to under 30 per cent. While the Booker bid is not to be renewed, Dee retains a 20 per cent stake and reserves the right to bid again.

Shareholders may legitimately wonder how long Dee can go on at this pace, issuing 113m shares for International less than two months after issuing 17m to buy the Lennons supermarket group. But for the moment they will probably put up with the dilution of their interests through vendor placings given the performance of the shares which were above 180p this week against 108p earlier this year.

BATs shareholders will also have little cause for complaint. International always sat uneasily in this disparate group—running up several years of losses before a £10.5m trading profit last year. As Dee proves, *supermarkets seem to function* best in the hands of specialists like Mr Monk.

Out-of-towners

Marks & Spencer linking with Tesco to develop the stores of tomorrow well away from today's High Street looks at first sight a very modest plan.

The two companies are scouring the country for just six sites on the edge of town with the aim of opening the first joint shopping centres within three years.

Profits from the centres will make little difference to these mighty groups until at least the 1990s. Moreover, Tesco and M&S are to trade separately on each site, unlike Sainsbury and British Home Stores who got together to form a joint *company*, Savacentre, as long ago as 1977. And like Sainsbury and BHS, M&S and Tesco are to carry on with their existing independent store opening plans.

But the latest agreement has a wider *significance*. M&S, the undisputed king of the High Street, is signalling its approval of out-of-town centres. It is, a little belatedly, acknowledging a general shift in shopping habits which can only gain momentum with the announcement this week that a Home Office committee has backed the abolition of the Sunday trading laws. People who shop on Sundays will typically drive to out-of-town centres.

M&S, so often a pioneer among retailers, clearly thought it too risky to go it alone this time. *In Tesco*, it has a partner with experience in the tricky task of winning planning permission for sites from reluctant local authorities.

For its part, Tesco gains St Michael patron saint of quality, *is* acknowledgement that it has successfully shed its cheap and cheerful image of a few years ago.

This official blessing will do more to enhance Tesco's image in the eyes of shoppers and investors alike than any advertising campaign.

Boots' remedy

For too long Boots' great chain of chemists shops has looked tired and neglected beside the vigorous growth of the industrial division in general and pharmaceutical sales in particular.

But the company's interims on Thursday showed that efforts to brighten up the stores are starting to pay off.

Group profits for the six months to the end of September were 22.7 per cent up to £79.9m on sales ahead 11.7 per cent to £920m.

The advances are however exaggerated by adjustments to payments from the National Health Service for prescription sales. *After allowing for this*, the retail division's profits were up 14.4 per cent, against 8.1 per cent for the industrial division.

The shops should do even better *in the second half* as new lines are introduced into more stores in time for Christmas. The group's cookshops are catching on, health foods are to be sold across the country, and optical services, photographic and electrical goods are all selling better than in the past.

But in the industrial division, pharmaceuticals profits are being squeezed. Admittedly, the U.S. business, Boots Pharmaceuticals Inc, doubled its profits in the first half but that was before a price war broke out in prescription sales of the pain-killer ibuprofen.

U.S. profits *will* feel the effects in the second half and, in the UK, pharmaceutical profits are being bit by government action to control the prices of drugs sold to the NHS.

For the year, pre-tax profits of £175m look well within reach, putting the shares on a p/e ratio of about 14 on a 40 per cent tax charge. At this level, the price is well up with events.

Brewers' bounce

Whitbread's interim results this week showed that the company has a fine corporate brew in the making.

The figures for the half year to the beginning of September were *strong—pre-tax profits* up 15.2 per cent to £57.6m on sales ahead by 16.8 per cent to £676m. But they partly obscure the way the group is trying to change shape, turning away from brewing to businesses where there seems to be more sparkle—wines and spirits and retailing.

For it was good old British beer which did best in these interims—with beer operating profits rising from 47 per cent to 54 per cent of the group total. While the volume of beer brewed fell by *slightly more* than the national average of a 1.5 per cent decline on 1983, Whitbread more than made up for lost sales by cutting costs, *including closing* its brewery in Luton.

Lager again gained ground on traditional ales—a trend which cannot *fail* to help national brewers like Whitbread at the expense of the regional companies, who generally specialise in traditional brews.

But Whitbread does not see its future in the battle of bitter against lager. Its recent popularity in the City stems directly from a planned expansion away from brewing beer which has cost £200m in the past 18 *months, much of it spent* in the U.S. The real returns on this capital are probably another 18 months away.

Similarly, in retailing Whitbread is bearing the cost of expanding its Beefeater Steak Houses, Roast Inns and Pizza Hut restaurants. Profits in the half year were up, but there should be far more to come in the future.

Stefan Wagstyl

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984 High	1984 Low	
F.T. Ind. Ord. Index	910.3	− 9.7	924.3	755.3	Brit. Telecom issue inhibits trade
BP	455	−18	540	395	*Weak spot oil prices*
Cullen's Stores A	340	+40	340	145	Fresh bid developments
Dee Corp.	187	+12	187	106½	Acquires Intl. Stores from BATs
Dixons	409	+25	409	215	Currys bid situation
Elson & Robbins	77	+11	80	46	Agreed bid from Hartons
Extel	298	−40	350	215	Mid-term figures disappoint
Hambros	158	+13	185	120	Sale of U.S. oil interests
Heath (C. E.)	510	+42	520	317	Good interim results
Johnson, Matthey	85	−23	287	77	Broker's sell recommendation
London & Midland Ind'ls.	163	+17	169	118½	Good half-year figures
MK Electric	305	−20	357	258	First-half results
Meadow Farm Produce	267	+25	270	130	*Good first-half profits*
Metal Box	346	−14	378	287	Int. figures fail to please
Sketchley	384	−20	419	346	Uninspiring interim results
Sumrie Clothes	62	+12	190	47	Revived speculative demand
Tesco	222	+12	229	155	Joint venture with M&S
Western Board Mills	283	+68	290	205	Agree bid from David S. Smith
Woodhead (Jonas)	40	+ 8	42	20	IEP Secs. acquires 10.8% stake
Woolworth	583	+40	583	340	Chart "buy" signal

Fed's warning

NEW YORK

TERRY DODSWORTH

BY WEDNESDAY, *there were* not many traders on Wall Street who would have risked opposing the idea that the Federal Reserve Board had a cut in the discount rate up its sleeve. So when it came, neatly slipped in on the night before the Thanksgiving Day holiday, and typically after the close of the equity market, there was not a great deal of surprise among the depleted trading room staffs.

This practical confirmation of the *shift* in the Fed's stance may well, however, have spoiled a few of those Dickensian feasts on Thursday. With the markets closed, traders *had* a full-day to reflect on tactics, and a Friday morning hangover was no way to tackle the issues raised by the confusing signals coming out of Washington.

When Wall Street opened up yesterday morning, share prices jumped as investors took heart from the Fed's move. By lunchtime the Dow Jones *Industrial* Average was up 12.81 points at 1,214.33.

How seriously should the Fed's powerful warning of a slowdown *in* the economy be taken? The statement underlines a clear-change in the policy *emphasis* of the board. The Fed is shifting its target from the fight against inflation to an attempt to resuscitate a tiring economy, now moving into its third year of recovery.

But there is a great deal of *argument about exactly* how exhausted the recovery is, and to what degree it needs the Fed's monetary injection to get its second wind.

The second question is how far the markets have already adjusted to the interest-rate climate that the Fed has now validated with the cut. Since the end of the summer holiday period in August, short-term rates have plunged, bringing three-month Treasury bill rates down from 10.61 per cent to 8.46 per cent.

The yield on the Government's 30-year-long bond, a more sensitive measure of inflationary anxieties, has dropped less, but it has gone the long to 11.41 per cent.

These falls, many economists argue, have already fairly fully discounted the Fed's action. Thus, to bring rates down much more by engineering a further rally in the credit markets, the Fed will have to move yet again on the discount rate; and it may not be willing to do that until it has further evidence on the fourth quarter state of the *economy, including, perhaps,* some figures from the Christmas sales.

For equity traders, the main implication of this outlook may be to keep an equally keen eye as the Fed on the economic numbers over the next few weeks. There has been little to cheer about recently—indeed, Goldman Sachs has just reduced its projected corporate profit gain this year from 20 to 15 per cent and mild pessimism is about the best description of the market's mood since the election.

Equity investors were excited enough about getting President Reagan back into office, but since then they have hardly had a good word to say for the administration. They are worried alternately by the burgeoning Government deficit, by the Republican failure to establish a stronger position in Congress, and by the difficulties of pushing through tax reforms.

The poor economic figures that have come through this week have even led to some gloom-mongering on Wall Street, with talks of a mild recession in the first half of next year, at least until the big inventory build-up of the autumn is cleared out.

On this basis, Mr Michael Metz, of Oppenheimer, argues that both the stock and bond markets are close to their top and that any upward bounce inspired by the discount rate cut will be *short-lived*.

A more optimistic view is that the easier stance of the Fed, after several months of stagnant money growth, has come just in time to push the economy ahead again on a path of steady, non-inflationary growth. Indeed, some analysts attributed the mild rally in the equity market early in the week to expectations of the cut that came on Wednesday.

Monday	1,185.29	−2.65
Tuesday	1,195.12	+9.83
Wednesday	1,201.52	+6.40

YOUR SAVINGS AND INVESTMENTS

Discharge of a bankrupt

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I wish to find out exactly when my good-for-nothing son-in-law who went bankrupt about 8½-9 years ago will be entitled to be discharged under the ten-year rule, though he has paid nothing and will never pay anything. The County Court office are not very helpful; have I the right to inspect the registers personally?

If the adjudication in bankruptcy was made after October 1 1972 and before October 1 1977 there is no right of automatic discharge; but there should have been a review of the order during the year following the fifth anniversary of adjudication. You are entitled to obtain the information as to whether or not there has been a discharge from the Court where the adjudication occurred.

Capital Gains Tax

QUESTION

I am puzzled by the item in your issue of November 10 headed "Looking after the wife." I do not understand the reference to "a potential liability to CGT" where the transfer would be effected by the Executrix distributing the Estate.

ANSWER

We regret that the reply to which you refer was garbled and incorrect. The correct position is that under Section 49 of the Capital Gains Tax Act 1979 CGT is not chargeable on property when it devolves on death, but the property is deemed to be acquired at its market value on the date of death. As the life time transfers referred to would have been between spouses they would be exempt from CTT and it would be unnecessary to rely on the £3,000 annual exemption.

Enforcing a change

I have a second charge on a shop premises which I sold three years ago. The purchaser bought with the aid of a bank first charge and a small part of the purchase price was via the second charge.

The current position is as follows:

1—The final instalment due nine months ago amounting to approximately £120 has not been paid and the charge is refusing to pay.

2—The bank refuses to disclose the amount owing on the first charge without the consent of the chargee who is not willing to give consent so that I am unable to discover what is actually owing on the first charge.

What I wish to know is the cheapest and most effective way of securing the rest of the money and if I can claim for loss of interest due to late payment. (The money was to be paid by 24 equal monthly instalments which in themselves were always a couple of months overdue anyway.)

I have considered a claim by way of a default summons in the County Court as being the cheapest. Enforcing the second charge not knowing the level of the first charge by attempting to foreclose might not be to my advantage.

Your better course is to enforce your charge. The charge should provide for interest to be payable on arrears, in which case you would be entitled to recoup interest as well.

Back pay forwarded

I am due to leave my current job in four weeks time. At present, our pay settlement for 1984 is still under discussion, and my back-pay should be worth several hundred pounds. Is there any legal requirements for my firm to forward this money to me?

When the pay settlement is achieved any increment for a period which falls within your contract period should be paid to you. Ensure that you do not sign any receipt in terms expressed to be in full or final settlement until this matter is resolved.

Agreement on Premium Bonds

I have some Premium Bonds purchased in my name but held on behalf of five relatives. Our agreement is only signed by myself and my bank manager (now deceased). It is dated October 1976, and I was advised at the time that this would be a sufficient cover in the event of a large prize. Could you please advise me if this is in order or if I should make a more elaborate document?

The declaration made in 1973 is sufficient if it identifies the five relatives for whom you held the bonds.

A new trustee

I am the sole trustee of a bare trust on trust at will and wish to appoint one or more further trustees. Would you be good enough to tell me how I should go about this at minimum expense?

The trust comprises land and investments in building societies, shares and deposit and current accounts at the bank.

A deed of appointment of a new trustee will be required. This will only involve 50 pence stamp duty. It would probably be worth your spending a little more and getting a solicitor to draft the deed.

Change of address

I have sold my house which was my home and have bought another. Not long ago I spent money in having a will drawn up and am wondering whether there is a way in which I can change the address in the will without incurring further legal expense?

There is no need to change the address in your will: the executor can always prove, if need be, that your address was as stated at the time of making the will.

Sighting the deed

Could you please inform me if a beneficiary of a discretionary settlement is entitled to copies of the trust deed and of the accounts.

While there is still some doubt about the precise position in law, the better view is that a discretionary object is entitled to inspect the trust deed and the trust accounts; the court has certainly so ordered on specific occasions. Strictly speaking the cost of making any copies would fall on the person seeking them.

Unit trust holdings

1. If I hold units in a Unit Trust and a switch is made into other units in the Trust, does this constitute a disposal for the purposes of Capital Gains Tax?

2. If so, and it is a managed Trust, does this mean that a switch made by the managers would constitute my making a disposal however nimely this disposal may be in relation to my overall CGT position in that tax year?

3. In what circumstances, if any, would the proceeds from the sale of units be already CGT paid within the Unit Trust before I receive them?

Your questions are unfortunately ambiguous.

1. No, whether you are talking about a simple conversion of units (eg a conversion from income units to accumulation units) or about a unit-linked life policy.

2. Your question suggests that you are talking about a unit-linked life policy: the switching of the link has no tax consequences for the policy-holder.

3. This question also suggests that you are talking about a unit-linked life policy, under the terms of which the insurance company can fix what percentage of the market value of the linked units is actually paid out in cash, upon maturity or surrender. The proceeds may be chargeable to income tax, in the hands of the policy-holder.

Selling numbers 38 & 38a

I am the freeholder of shop premises with living accommodation which has a separate entry with a different postal number—that is, 38 and 38a. It is my wish to sell the whole property and it is obviously my desire to keep the CGT as low as possible. The flat is occupied by my son who is also manager of the shop, the property is rated as a whole, would it pay to have it rated as two units?

No: the rating question has virtually no effect upon the CGT question.

The solicitor who will be acting for you in the sale of the property will be able to guide you through the CGT maze and minefield.

Inaction on the investment front

GEORGE GRAHAM looks at interest rates and the future

BARGAIN HUNTERS are having to keep on their toes to spot which building societies are cutting their interest rates by the least and which are putting off the downward adjustment for the time being.

The larger societies have now all cut their ordinary share accounts 1 per cent to 6.75 per cent and on higher interest accounts, rates have in general been cut by 1.3 per cent.

This means that the prevailing rate for seven day notice accounts stands at 8.0 per cent, for monthly income accounts at 8.25 per cent and for 90 day notice accounts at 8.5 per cent.

But within the wider picture there are a number of divergences. The largest anomalies occur where societies have delayed reducing their rates in line with the general dron in interest rates.

The Guardian Building Society, for instance, is not moving yet and the St. Pancras will not decide until its board meeting at the end of the month. The Bolton Building Society, meanwhile, has not adjusted its rates yet and does not expect to do so until the New Year.

Perhaps the most aggressive inaction comes from the Bristol & West. It has cut its mortgage rates by 1 per cent, but is leaving investment rates unchanged for the time being. This leaves the rates paid on its seven day notice Triple Bonus Account—9.3-9.8 per cent depending on the amount invested—among the most attractive short notice accounts.

Among those who are altering their rates—and most will do so from December 1—there are subtle variations in approach. "It is clear the differentials are going to change," said Quentin Deane of Building Society Choice, "and even an extra 0.02 per cent is significant on larger sums."

One of the keenest contests is between the Leeds Permanent's Liquid Gold account and the Cheltenham & Gloucester's Gold account. Leeds drops to 8.0 per cent with a minimum investment of £500, and Cheltenham to 8.25 per cent with a minimum of £1,000. The gap between them thus narrows from 0.32 per cent to 0.25.

On sums over £5,000 Cheltenham credits interest monthly, giving the equivalent of 8.57 per cent on an annualised basis.

A quick tour of some of the smaller societies that have been offering attractive rates throws up further variations.

The Cheshunt's 7 day notice Silver shares move to 8.25 per cent, with interest credited monthly on deposits over £1,000. Its 1 month notice Gold shares drop to 8.5 per cent, with Special 2 term shares moving to 8.75 per cent.

Lambeth keeps its ordinary share rate slightly above the norm at 6.9 per cent. The 7 day account moves to 8.3 per cent, the High Yield 28 day account to 8.5 per cent, and the Magnum 6 week account to 9.0 per cent. But on the High Yield and Magnum accounts, interest penalties are charged on withdrawals.

Paddington drops its 7-day account to 8.5 per cent, the same rate as that offered by Portman on its Flexi-Plus account, which offers immediate access, and monthly income on deposits over £5,000.

Walthamstow moves its 7-day account to 8.25 per cent, and the 1 month notice bonus shares to 8.35. Skipton's immediate access Sovereign account offers 8.3 per cent on £500-£9,999 and 8.6 per cent on £10,000 or more, and it gives 8.3 per cent credited monthly on £2,500 or more.

Hopping from one building society to another in order to attract the finest interest rates has become a popular pastime, but patience may be advisable this time around.

With bank base rates dropping another half point there could be another downward movement for building societies' rates waiting in the wings, and this could mean that the differentials change yet again.

In particular, some societies have been careful not to lower their investment rates by too much for the time being, because of their anxiety over the possible outflow of funds into the British Telecom share sale. They may be less hesitant in the next round of rate cuts, and make up lost ground.

When the yellow peril strikes

Unlisted Securities Market

YOU WIN some, you lose some. That should be the USM's verdict this week on the tougher rules imposed by the European Community on companies seeking a full market quotation.

The regulations, which take effect on January 1, do not affect the USM directly. They are the result of an EEC initiative to ensure that companies on all European stock markets receive similar treatment.

However, the directives, contained in the Stock Exchange's new "yellow book" of listing requirements—or the "yellow peril" as it is more cynically known—will produce two important spin-offs for the junior market.

The new rules make it more cumbersome for USM companies to join the upper bouse, thereby running directly counter to the Stock Exchange's original intention that the USM should provide a relatively easy route to a full listing.

With the new yellow book looming ahead of them, it is no accident that the flow of companies graduating to the full market has accelerated. More than half of the 35 groups to have made the step during the USM's four-year history have done so in the past 11 months. "It's a matter about which we have been warning companies recently," says Alistair Alcock, corporate finance partner with stockbrokers Phillips and Drew.

The imposition of tougher regulatory standards on listed companies will widen the gap between the two markets and could help to swell the USM's numbers. Larger private groups dithering between a NSM quotation and a full listing will now face stronger arguments in favour of a less bureaucratic environment on the nursery market.

The chief practical change affecting USM graduates is that from the start of 1985 no company will be admitted tothe full market from the USM or anywhere else—unless it publishes full "listing particulars," subject to some exceptions.

That means they will have to provide informatoin which will allow investors and their advisors to make an informed assessment o fassets, liabilities, profits and losses and the issuer's financial position and prospects. There must also be statements relating to working capital, borrowings and a reference o the company'e future development in the current year, all of which will hava to be aproved in writing hy the quotations committee.

So far so good. Any USM company worth its salt should be able to produce that lot without great difficulty. But the *jokefrs in theEC's pack are* that all new listings must in theory publish a costly five-year accountants' report, and that the listing particular mnst he reproduced in full in either a brochure or in a daily newspaper—a marked contrast to the far less onerous advertising requirements now relating to USM graduates.

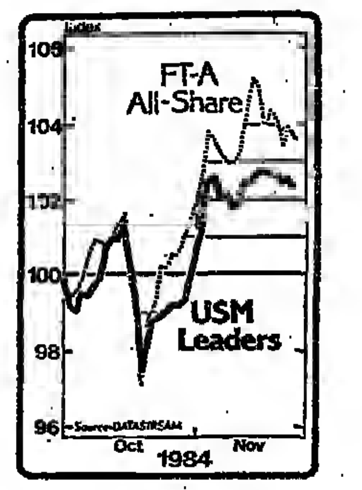
The Stock Exchange authorities do, however, offer the prospect of a partial let-out for USM graduates, so long as they are not marketing any new shares on their arrival on the full market.

It will consider permitting such companies to leave out the accountants' report and some other information, bearing in mind that they have already heen through a stringent regulatory scrutiny on the USM.

Of course, nobody yet knows how the rules will be applied in practice. But the signs are that the authorities will be sympathetic to anxious USM graduates. "It seemed to us unduly tough to put them through the hoop twice," says John Fryer, head of the Stock Exchange's quotations department.

Beyond the general tightening up of disclosure requirements, th key change affecting potential public companies hovering on the boundary between the USM and a full quotation relates to the speed at which they can make acquisitions.

William Dawkins



Breaking new ground at Finsch

MINING

GEORGE MILLING-STANLEY

STANDING ON the rim of any of the world's open-pit mines, it is hard for the unintiated to see anything but dust and confusion. The tutored eye of the mine superintendent, bowever, is ahla to gain an instant grasp of what is going on, even down to the details of wbich of hia staff is operating which vehicle and in which sector, a privilege enjoyed hy few supervisors in any joh.

This is one of the principal reasons wby the conventional wisdom has grown up over the years in mining circles that the open pit is far and away the most efficient method of extracting minerals from the earth. The management of one mine, howevar, believes it has found a way of transferring the henefits of open-pit mining to its underground operations.

"Usually, when a guy goes underground, he disappears from sight and can do what he hloody well likes. We will he ahle to ensure that he is productiva all the time," as one official of hte Finsch diamond mine in South Africa put it recently.

Finsch has a link with the history of diamond mining in South Africa in that it is grouped within De Beers Consolidated Mines as a member of the Kimberley division, even though it lies 160 kilometres from the town of Kimberley, where diamonds were first discovered in the country.

Diamonds were first discovered at Finsch in the early 1960s, and the mine's present open pit came into production in 1965. Last year, the pit recovered more then 5m carats of diamonds (there are 142 carats to the ounce) from 5m tonnes of ore.

Finsch is essentially a producer of industrial diamonds, which make up something like 70 or 80 per cent of output on average, although the cream of the mine's profits comes from the 20 or 30 per cent of production which is deemed "cuttahle," in other words which can be made into jewellery.

After almost 20 years in prodnction, the open pit mine at Finsch is now approaching the end of its economic life, which is effectively a function of the depth of operations. Within the next four or five years, the bottom of the pit will be at a depth of 400 metres below the surrounding countryside, and mining below that level would necessitate a considerahle widening of the month of the pit, which is unacceptahle on economic grounds.

Thus in 1978 Finscb started work on the construction of an uoderground mine heneath the present pit, and this will coma into production in 1988 or 1989. The life of the pit may be extanded by a year or so be the installation of a conveyor rising at an angle of 45 degrees fro mthe hottom of the pit, which would allow operations to penetrate a little deeper. hut this bas not yet been formally decided.

Construction work on the underground operation, whicb will cost a total of around R200m (£91m) hy the time it is complete, is already well advanced, and according to one expert the mine will he the most sophisticated underground diamond mine in South Africa onca it comes into production.

The management of Flnsch has had the opportunity to study the efficiency of its own, relatively modern, open pit, and in addition tha underground operations at the other four producing mines in Kimberley, which are similar to the plans for Finsch hut much older, and believes it has found ways of transferring the advantages of open-pit methods to its underground mine.

Two-way radios will be used extensively underground, as they are at present on surface. the mining will be entirely trackless, using large-capacity load-haul-dump trucks (LHDs), and the mine is currently experimenting with electronic [illegible] and identification of vehicles underground much simpler than would otherwise he the 22 [illegible] case.

All monitoring under this system, if it is installed, would be carried out from a central control room, which would effectively place the underground mine supervisor in the same position as his colleague on the rim of the open pit, with a view of the whole underground operation in front of him.

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hill Samuel	§ 9½%
Allied Irish Bank	10 %	C. Hoare & Co.	† 9½%
Amro Bank	9½%	Hongkong & Shangbai	9½%
Henry Ansbacher	9½%	Johnson Matthey Bkrs.	10 %
Armco Trust Ltd.	11 %	Knowsley & Co. Ltd.	10½%
Associates Cap. Corp.	10½%	Lloyds Bank	9½%
Banco de Bilhao	9½%	Mallinhall Limited	10 %
Bank Hapoalim	10 %	Edward Manson & Co.	11 %
BCCI	10 %	Meghraj and Sons Ltd.	10 %
Bank of Ireland	9½%	Midland Bank	9½%
Bank of Cyprus	9½%	■ Morgan Grenfell	9½%
Bank of India	10 %	National Bk. of Kuwait	9½%
Bank of Scotland	9½%	National Girobank	9½%
Banque Belge Ltd.	10 %	National Westminster	9½%
Barclays Bank	9½%	Norwicb Gen. Tst.	9½%
Beneficial Trust Ltd.	11 %	People's Tst. & Sv. Ltd.	10½%
Brit. Bank of Mid. East	9½%	R. Raphael & Sons	9½%
■ Brown Shipley	10 %	P. S. Refson	10 %
CL Bank Nederland	9½%	Roxburghe Guarantee	10½%
Canada Perm'n't Trust	9½%	Royal Bk. of Scotland	9½%
Cayzer Ltd.	9½%	Royal Trust Co. Caneda	9½%
Cedar Boldings	11 %	■ J Henry Schroder Wagg	9½%
■ Charterhouse Japhat	9½%	Standard Chartered	‖ 9½%
Choulartons	11½%	Trade Dev. Bank	9½%
Citihank NA	9½%	TCB	9½%
Citibank Savings	¶ 11½%	Trustee Savings Bank	9½%
Clydesdale Bank	9½%	United Bank of Kuwait	9½%
C. E. Coates & Co. Ltd.	11 %	United Mizrahl Bank	9½%
Comm. Bk. N. East	9½%	Westpac Bankiog Corp.	10 %
Consolidated Credits	10½%	Whiteaway Laidlaw	10½%
Co-operative Bank	* 9½%	Williama & Glyn's	9½%
The Cyprus Popular Bk.	9½%	Wintrust Secs. Ltd.	10 %
Dunhar & Co. Ltd.	9½%	Yorkshire Bank	9½%
Duncan Lawrie	9½%		
E. T. Trust	11 %		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	12½%		
First Nat. Secs. Ltd.	12 %		
■ Rohert Fleming & Co.	9½%		
Robert Fraser & Ptns.	10 %		
Grindlays Bank	‡ 9½%		
■ Guinness Mahon	9½%		
■ Hamhros Bank	9½%		
Heritahle & Gen. Trust	10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 3.25%. 1 month 7.00%. Fixed rate 12 months £2,500 £8.75% £10,000, 12 months 9.00%.
† 7-day deposits on sums of under £10,000 6¾%. £10,000 up to £50,000 7¾%. £50,000 and over 8%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 7¾%.
§ Demand deposits 6%.
¶ Mortgage base rate.

SAVINGS OFFERS

	Page
Citifunds	1
Perpetual	8
Western Trust and Savings Ltd.	8
Lazards	9

YOUR SAVINGS AND INVESTMENTS

ACCOUNTANCY

Tax, and nothing but tax

GEORGE GRAHAM looks at the field of investment advice in accountancy.

WHEN THE talk turns to tax, send for your accountant. But how far beyond the tax frontier will the accountant be willing to tread in advising you on your personal finances?

Not very far, in all but a few cases. The large and medium-sized accountancy firms fight shy of offering approaching specific investment advice, for fear of compromising their independence. And many small rural practices are equally cautious because they cannot maintain the expertise necessary to make precise recommendations.

In the accountant's favour is the fact that he is not tied to any particular insurance company or unit trust group and should not be dependent on earning commission; and his knowledge of your finances derived from handling your tax affairs.

"It's a question of trying to be constructive from a mixture of their tax returns and what we know about them," says Roger White, tax partner at Peat Marwick Mitchell.

"We tend to be strong in tax-related investment advice, but we would draw back from telling the client which one to choose."

Robson Rhodes is a shade more enthusiastic about the sector, and recently published a Personal Financial Planning Manual. But John Rayer, Robson Rhodes's tax partner and author of the manual, stresses that the firm's strength lies in analysing the structure of a client's finances rather than in picking particular investments.

One firm that has wholeheartedly embraced personal financial planning is Thornton Baker. It undertakes to advise individual clients on their finances from the cradle to the grave, and is prepared to suggest specific insurance contracts or specific unit trusts.

"Tax is absolutely vital, but it is not overriding," says Alan Kelly, partner in charge of national personal finance planning and author of a new guide to the field published by the Institute of Chartered Accountants. "What they are trying to do with their assets is to maximise them after tax."

Kelly himself regularly visits unit trust managers and rarely suggests funds whose managers he has not interviewed. He also sends frequent investment circulars around Thornton Baker's 60 offices.

Accountants charge according to the time they take, so fees will depend on the complexity of the case. They should be willing to meet you for a preliminary interview without commitment and after that to give you an estimate of the cost. This may run up to thousands of pounds.

Thornton Baker's Kelly, for instance, says he may well give half an hour's free interview with a client to test the waters.

Kelly believes the fee system gives an advantage to accountants, because it is clear that they are charging for work done on the client's behalf. They are therefore more obviously impartial than advisers who rely on commission income.

This definitely does not mean that accountants do not accept commission. They do, and a number of stockbrokers and unit trust managers grumble that in some cases this is their primary aim.

Under the rules of the Institute of Chartered Accountants, the client must be told in advance if there is a possibility that the accountant will receive commission from a particular investment; and if the investment is made, the exact amount of commission must also be disclosed.

But the accountant is not bound to pass the commission on to the client, although many firms prefer to do so.

"We prefer not to receive commission at all," says Peat Marwick's White. "If we do receive it, we like to pass it back to the client."

When commission is offset against fees, it can sometimes eliminate charges for the accountant's advice, so it may on occasion be worth the client's while to opt for a commission-paying investment. But in all cases the accountant should make clear to the client what the choices are and precisely what commission is being paid.

A problem can arise on share dealings. On transactions under £7,000, the accountant — like other qualified intermediaries — is entitled to one-fifth of the stockbroker's commission, but is prohibited by Stock Exchange rules from passing the commission on to the ultimate client. In this case, however, the client would not in fact benefit if the accountant waived his share of the commission.

On transactions over £7,000, stockbrokers have two different scales of commission, with higher charges if the commission is shared with an intermediary. In these cases accountants should put your business through on the cheaper rate and not claim any commission for themselves.

Many building societies also prohibit their agents from sharing commission with anyone else, but in practice they turn a blind eye to chartered accountants who offset the commission against fees.

One area accountants do not appear to want to enter is selling prepackaged financial schemes. "I would much prefer to do financial planning on an individual basis," says Robson Rhodes's Rayer, and Kelly at Thornton Baker adds: "My whole philosophy is geared to the individual."

In other words, the accountant will not slot you into a standard portfolio, but will construct his financial recommendations to suit your exact circumstances.

For the time being, accountants are not offering discretionary management of your investments, but this could change. "If individuals demand that you look after their complete investment portfolio, then you must look at ways of achieving that desire," says Rayer.

Many firms, however, have begun to put out a range of booklets outlining new Budget provisions or commenting on specific tax problems. Some of these publications are also available in bookshops, and may represent the best and cheapest way of tapping the accountancy profession's expertise.

At the top of the form in Taunton

FOR THE past 20 years, teachers at Taunton School have been putting their heads and their savings together to run a collective portfolio of stocks and shares.

At monthly meetings, the 36 members forget about third-form French and the Second XV to discuss the relative merits of oils and overseas traders, of British Mohair and Pilkington Glass.

Many of the teachers also invest on their own account, but the club allows members to share their successes and failures. As chairman Graham Reid, head of the school's business studies department, says: "It can be lonely and frustrating to be on your own as a private investor."

Launched in 1963 with the help of an Old Boy stockbroker, the club is run as a private unit trust in which the staff—but not pupils—can buy units. Since they were first issued, the units have appreciated four times over—from an equivalent price of 12.5p to 56½p currently.

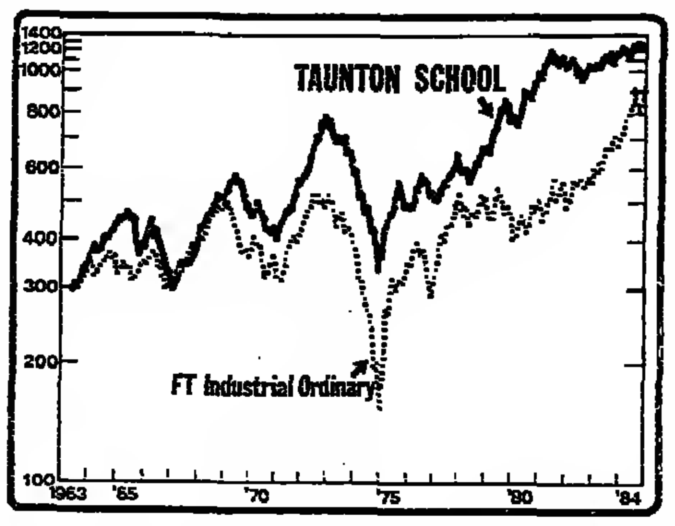
This performance is at least as good as many a professionally-run unit trust. As the graph above shows, Taunton School Investment Club has comfortably managed to beat the FT 30-share index over the past 21 years.

Eric Wright, a maths teacher who has recently retired, has been club treasurer since its foundation. He remembers the first investments, Hawker Siddeley and Radio Rentals, both bought on the word of the club's stockbroker.

Soon afterwards, the club bought a stake in its first new issue — Dreamland Electric Blankets. The price doubled soon after dealings opened, but the club held on too long and eventually sold at a very modest profit.

Wright says: "It made us think about our technique. Since then we have taken profits early and often missed out on later profits."

Personal tips guided many of the early investments. The club bought S. W. Berisford, the sugar trader, on the word of a member who was related to the founding family, and Bullough Securities, an industrial group, on the recommendation of a teacher who came from Manchester where the company was based. Both yielded good profits, and kept the club ahead of the market indices in the 1960s.



Some of the club's most successful years were in the early 1970s when the portfolio was invested heavily in mining shares on the advice of its broker. This brought spectacular profits when the gold price soared in the wake of the oil crisis.

A notable performer was a £1,400 stake in Consolidated Goldfields which yielded a £3,700 profit over six years.

These gains helped the fund to avoid the worst impact of the 1974 stock market crash. Wright remembers how the collapse caught the club completely by surprise. But at no point did the members consider selling everything to put their money on deposit. "We took the view that we existed to invest in shares," he said.

Reid says the club has become more sophisticated in its investing over the years and takes more trouble researching markets and companies.

The strategy the club follows is first to judge the course of economic trends, taking a view on the oil price or interest rates. It then considers which sectors might benefit from these trends and then looks at individual companies, Reid says.

These policies have served the club well in recent years. It bought oil shares in the period 1977-81 in the correct belief that the oil price would rise to the benefit of these companies.

In 1979, the club rightly anticipated that electricals would lead the economy out of recession and bought GEC, Crystalate and First Castle Electronic, selling all three in 1983 at a profit.

Since then the club has built up holdings in Japanese and U.S. unit trusts and in a selection of recovery shares including Pilkington and Cape Allman.

The current portfolio, worth £42,000, is widely spread, although Japan accounts for nearly 20 per cent and oils for 18 per cent.

Reid says the club's present plan is to build up a selection of high-yield shares, mainly by selling oils. It is partly a defensive manoeuvre, preparing for the day when the market begins to fall, and also a reflection of the club's belief that interest rates are likely to come down, making high yield shares more attractive.

Reid is convinced that clubs are ideal for small investors who lack the means to build up widely-spread portfolios of their own. "It's much better and more interesting than unit trusts or buying shares in one company like British Telecom.

"Many people think that investing is just for the rich and very clever. It isn't. It's for everybody."

Stefan Wagstyl

YOUR SAVINGS AND INVESTMENTS

Dear Marje, is this a good buy?

BARRY RILEY looks at the prospects the Mirror would have issued last July.

BUZBY HASN'T managed to feature in the British Telecom prospectus—but Andy Capp appeared in at least one draft version of the Mirror Group prospectus which was due to be published last July until Robert Maxwell made Reed, the Mirror's owner, an *offer it* could not refuse.

The Mirror flotation was to have been strongly directed towards Mirror readers, and so would have been an unusual exercise in the promotion of wider share ownership. Now, of course, BT is going one better, with all the gimmickry of TV advertising and giveaway telephone vouchers. It could well wind up with hundreds of thousands of shareholders who have never owned a share before.

But BT is only able to do this on such a scale because the rules have been bent in its favour. This makes it questionable whether its marketing will really provide much of a precedent for new issues in the future.

All the same, the Mirror issue-that-never-was showed that it is possible to turn dull prospectuses into rather more exciting marketing documents. You can either view this as a laudable step in the direction of a people's capitalism—or as a dangerous development which, exploited by other company promoters, might pose serious dangers to a gullible public.

As things stand, any company other than BT has to comply with the strict requirements of the 1948 Companies Act when making offers of its shares. This Act provides that any document with an application form counts legally as a prospectus—and a prospectus has to contain huge volumes of statutory information and legal technicalities.

So how has BT been able to get away with its eight-page mini-prospectus of which some 5m copies have been printed? The answer is simply that last July's Telecommunications Act included a let-out clause. Or to put it in officialese, under Section 70 Clause 4 the mini-prospectus is "deemed to incorporate the full prospectus"—which incidentally runs to more than 80 closely packed pages.

The Mirror men did not have any such advantages. They had to face up to the problem that pages and pages of grey matter would amount to a pretty effective switch-off for the audience they were trying to reach. But they did not want to indulge in cheap gimmicks—there were to be no bingo numbers on the application forms, or glamour girls on page three of the prospectus.

So they drafted in two men to try to spruce up a traditional prospectus. They were Robert Head, the Mirror's City Editor, and Stanley Gale, now with Extel's financial public relations division but a veteran of the Express City page in the Fred Ellis days.

As Gale puts it: "One of the big handicaps is that the documentation is not done in a form that ordinary people can understand." They adopted the compromise of three hard-selling pages at the front of a prospectus which would have taken up 16 pages of the Daily Mirror.

A lot of work was done on a splashy summary of the features of the more conventional core of the prospectus. Much thought, too, went into redesigning the normal application form, which itself is liable to leave the unpractised applicant baffled.

According to Gale the lawyers and bankers were far from stuffy about the concept, though the lawyers insisted that a formal declaration of the directors' responsibility must appear on the summary page—and the bankers, Warburgs and Lazards, complained when their names were shifted from the middle to the bottom of the page.

But at a very late stage, the Mirror's top editorial staff decided to get in on the act. Under editor Mike Molloy they laid out their own version with even bigger headlines and heavy emphasis on editorial features like Andy Capp, "Dear Marje" Proops and the Old Codgers.

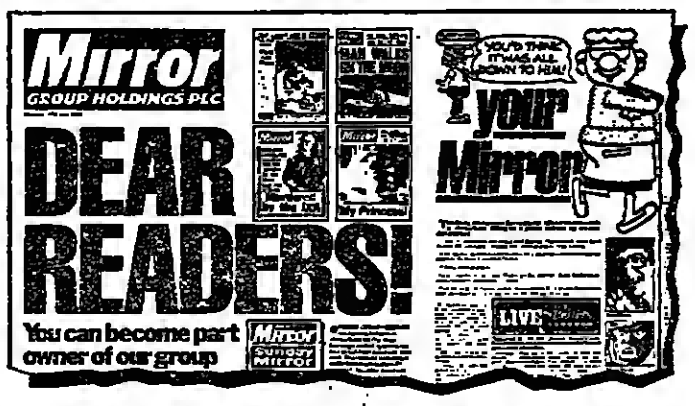
How the prospectus would actually have appeared must remain a matter for speculation. "You can become part owner of our group" was the selling patter for public consumption. But instead Robert Maxwell decided he would like to become full owner—and he had not even read the prospectus.

In future, it is likely that others will make attempts to beef up the effectiveness of prospectuses as marketing documents. Quite apart from the impenetrability of the conventional text—which will become more of a handicap if a broader spectrum of investors, with less professional expertise, become involved in share ownership—the existing requirements can be wasteful.

Companies complain at the cost of advertising and printing the increasingly voluminous prospectuses. And it is not uncommon during highly popular issues to find City of London rubbish bins stuffed full of prospectuses—unread, but with the application form torn out. This phenomenon occurs in heavily "stagged" issues simply because it is illegal to print application forms separately.

However, there were very good reasons why the 1948 Companies Act was so restrictive. The history of company flotations is littered with scandals. And the relevance of adequate documentation became evident last spring in the case of Stanley Gibbons—withdrawn as a public issue at the last moment after allegations that material facts had not been disclosed.

"You'd think it was all down to him!" said Flo of Andy Capp in one draft of the Mirror prospectus. Strip cartoon prospectuses might be more eye-catching and readable. But if prospectuses are to be popularised, great care will need to be taken to provide proper protection for investors.



What a company pension is worth

Benefits, lump sums and tax efficiency ERIC SHORT reports

IT IS A comparatively straightforward task to highlight the tax efficiency of the company car or the subsidised canteen. It is only necessary to compare the cost to the employer of providing company cars or cheap meals with the cost of lifting employees' salaries so that they could buy their own cars or lunches out of taxed income.

However with company pension scheme benefits—the largest elements in an employee's overall remuneration package after salary—comparisons of the advantages are much more complex.

If the employer improves employees' salaries to permit them to make their own pension provisions, then under current tax law, the employees get approximately the same tax concessions as does the company pension scheme, that is:

● Contributions get tax relief at the individual's top rate.
● Investment funds are tax exempt.
● Pensions are taxed as earned income with the right at retirement to convert part of the pension into a tax free lump sum.

As far as pensions are concerned there is only one direct advantage of being in a company plan. If employees make their own pension arrangements, then they are contracted into the State earnings related scheme and have to pay the full National Insurance contribution, on which there is no tax relief.

The present contracted-out NI rebate for employees is 2.15 per cent of earnings between £34 and £250 a week (the limits being raised as from next April to £35.50 and £265 a week). This requires a 3.07 per cent increase in gross pay for a basic rate taxpayer.

It could be argued, however, that there is an unquantifiable benefit in a company scheme. All surveys indicate that given a choice few employees would start saving towards their pension until too late and few would therefore accumulate enough to provide an adequate pension.

The company pension scheme provides a highly tax efficient form of involuntary savings for both employees and employers.

In addition, the company pension scheme provides promises, if not guarantees, of the ultimate pension in terms of final salary and years of service. There is a good degree of protection against inflation or stock market gyrations. Under a private money purchase arrangement, however, the ultimate pension depends on a multitude of factors — many of them outside the control of the employee who is much more at the mercy of financial uncertainties.

Moreover, the employer, in order to fund the company's pension promises, can be setting aside anything between a few per cent and 25 per cent of payroll, with an average payment of 12 per cent, according to the latest survey by the National Association of Pension Funds.

One can argue at great length whether the rank-and-file employee, even with trade union backing, could get a 10 per cent salary increase to make adequate pension arrangements, let alone the 25 per cent that would theoretically be needed in some cases.

Tax and the Employee

However, the indirect benefit of pensions is even more valuable to the older employee. The contribution rate paid by the employer into the company pension scheme represents an average rate over the whole membership. The individual cost varies from nil for the young employees (their own pension contribution being sufficient to cover the early accrued benefit) to a very high percentage of salary for the employee very near to retirement.

No employee approaching retirement could expect that kind of increase in earnings to provide for a pension.

It is interesting to note that under the proposed personal pensions system employers would have to do no more than hand over the employee's contracted-out NI rebate. Any further employer contribution towards the employee's personal pension would have to be negotiated between employee and employer.

Company pensions schemes, however, provide other benefits besides the normal pension—the most important being the death-in-service lump sum benefit and the widow's pension if an employee dies before retirement.

If employees make their own arrangements, and are thus classed as being in non-pensionable employment, they can take out life cover through term assurance under Section 226a of the 1970 Income and Corporation Taxes Act and get full tax relief on the contributions—a feature that intermediaries are now marketing since the ending of Life Assurance Premium Relief.

The advantages of using the company scheme are that costs are cheaper compared with individual term contracts and the lump sum cover is provided up to a high level irrespective of the state of health of the employee. An individual contract would be subject to normal underwriting conditions.

A pension scheme is a highly tax efficient savings vehicle whether it is a company scheme or an individual arrangement. In summary, the advantages to an employee of a company pension scheme are:

● Convenience—the employee has very little to do in arrangement and administration;
● Secure levels of benefit and protection against the vagaries of the harsh financial markets;
● Cost savings in pooled arrangements;
● Employers are likely to put substantially more money into a scheme which they have arranged and are responsible for than into employees' own personal arrangements.

On the other hand, company schemes lack flexibility and choice for employees and discriminate against the mobile worker—a drawback that the proposed Government legislation only partially relieves.

THE WORLD OF PERKS

Company	Concessions offered	Minimum investment	Current commitment
Burton Group	20% discount on three purchases at company's shops	1 ordinary share	£3.99
Debenhams	7½% discount on all purchases including sale goods	500 ordinary	£1,050
Grand Metropolitan	Offer with annual report including 21% off special sample case of wine, 10% off holidays	1 ordinary	£3.12
House of Fraser	Four £5 vouchers for purchases over £50, eight 10% vouchers for purchases over £100	1 ordinary	£3.06
Lonrho	20-30% discounts on hotels, 15% discount on bedlinen, 2% discount on unit-linked investments	100 ordinary	£152
P & O	30-50% discount on ferries, 15% discount on some cruises	200 deferred or 500 pref.	£602
Sketchley	25% discount on most services including shoe repairs	300 ordinary or 300 4.2% pref.	£1,188
Trafalgar House	10-15% discount on cruises, 15% on hotels	250 ordinary	£762
Trusthouse Forte	10% off Leisure cheques, which can be used at THF hotels and restaurants, and at Lillywhite shops	1 ordinary	£1.33
Whitbread	Discounts on drinks and special facilities at Whitbread-sponsored sports events	1 ordinary	£1.93

New from the Pru

IN JULY Norman Fowler, the Social Services Secretary, unveiled his proposals for Personal Pensions. He proudly claims an unparalleled interest in these proposals since the Department of Health and Social Security has distributed 30,000 copies of the booklet.

The Pru, Britain's largest life company and a major force in the UK pensions field, disagrees with Norman Fowler's conclusions. Derek Fellows, Pru's chief actuary and head of its pensions department, claims widespread ignorance of the radical proposals and it proposes to spend £400,000 on educating the public.

Over the next fortnight, starting with tomorrow, the PRU is launching a major advertising campaign to promote its new 16 page booklet "The Pru's Views on Portable Pensions." It expects to distribute 500,000 copies through the papers and through its 9,000 strong agency force.

The booklet not only sets out the proposals as contained in the official document, but endeavours to explain the possible consequences of the proposals if they come into being.

Already there has been a vast amount of words written on the Fowler proposals by pension consultants and various pension bodies and during the coming weeks the output is likely to soar as the November 30 deadline approaches for comments and reactions. But the messages are for employers and civil servants, not for the public.

Essentially the Pru foresees great dangers in the proposals and is concerned with the long-term adverse effects on company pension schemes. Cynics could say that this is a natural reaction from the Pru since they have a major interest in company schemes.

But the Pru is also one of the top companies for marketing self-employed pensions and with its countrywide agency network would be well placed to profit from a personal pensions system. So it can take a detached view of the proposals.

To get your free copy phone Teledata 01-200 0200 or write to Prudential (GP) Freepost London EC1B 1PD.

Eric Short

Buy one and get some free fertilizer

GEORGE GRAHAM on the perks offered to shareholders

IN MOST countries governments show their commitment to the cause of wider share ownership by giving tax advantages to investors. In Britain, it is done by handing out attractive perks with one new share issue.

The issue of telephone bill vouchers worth up to £216 to individual investors in British Telecom has drawn considerable attention, with returns of over 30 per cent achievable on short term investments.

But it has also come in for some criticism. "The scheme was not in our view as satisfactory as it might have been because it offers 'smaller' investors little incentive for staying with the shares," commented stockbrokers Seymour Pierce and Co; "we must hope that the subsequent share price performance allows sufficient compensation."

The firm notes that there are a great many other companies which offer concessions to their shareholders and many of these could prove better investments than British Telecom. It has just published a list of these concessions, including well over 100 companies.

Some of the perks offered are intriguing, if of no great value—Spear & Jackson's free packet of house plant fertilizer, for instance, or the bottle of St Edmund Ale "mashed" by Graham Greene to celebrate his 80th birthday, offered by Greene, King & Sons.

Bargain hunters may opt for 45 per cent off the price of a holiday at Ladbroke's new resort in Israel, or for free entry to the Rare Breeds Survival Trust in the grounds of Appleby Castle, the registered office of Ferguson Industrial Holdings.

For the novice investor, whose portfolio will scarcely be a balanced one if it includes only British Telecom, Seymour Pierce recommends ten leading shares, all of which bring significant perks to the investor. (See table.)

It looks forward expectantly to the privatisation of British Airways, which has a perfect opportunity to offer discounts to its shareholders.

YOUR SAVINGS AND INVESTMENTS

Don't get pipped at the post

As your last chance to buy shares in British Telecom approaches, GEORGE GRAHAM answers some of your questions.

Shoppers in Debenhams store in Oxford Street are advised by Tony Richards, of Quilter, Goodison, on buying shares in Telecome.

As the deadline for British Telecom share applications approaches, thousands of people are bracing themselves to buy shares for the first time. And there are still questions bothering many potential investors, as the flood of inquiries to the BT Share Information office and to the stockbrokers coordinating the issue bears witness.

"It has been a good campaign, and as explanatory as it could be," said a partner at one of the lead brokers, "but there are still problems, especially for the first-time investor."

Here are some of the points to watch out for:

Have you filled in the form correctly?

It sounds obvious, but stockbrokers recall that on most share issues a good number of applications are rejected because the cheque has not been dated, or the application form signed. Make sure that you are applying for one of the exact numbers of shares spelt out on page 6 of the mini-prospectus, or on page 22 of Tuesday's FT. You may not, for example, apply for 1,000 shares, but must put in either for 800 (with a down payment of £400) or 1,200 (down payment £600).

And you should pin or staple your cheque to the application form—paper clips can come loose.

Don't try to leave your application until the very last minute. You might get swamped in the rush. Applications must be received at one of the collecting centres, listed on the back of the prospectus, by 10 am on November 28.

How much will it cost you to buy the shares?

Nothing on top of the actual price of the shares. There is no stamp duty to pay, and commission to your stockbroker or financial adviser—if you have used one—will be paid by the Government and will not come out of your payment.

Can a husband and wife apply jointly?

Yes, but this will count as only one application when it comes to reckoning up your right to telephone bill vouchers or bonus shares. If you want to buy 6,400 shares so as to qualify for the maximum of both vouchers and bonus shares, you must submit two separate applications.

Can you buy shares on behalf of your children?

Not really, because children cannot enter into a legal contract. And if you submit an application in your own name designating them as beneficiaries, in addition to an application on your own behalf, you run the risk of having both rejected by the system for weeding out multiple applications.

If you do want to buy them shares in BT, it is simpler just to increase your own application and make the shares over when they come of age. In any case, a child is unlikely to have a phone bill in its name and is therefore not going to benefit from the voucher incentives.

Can people from outside the UK buy shares?

Americans and Canadians may not buy BT shares through the prospectus issued here, and citizens of other countries may not do so unless it is legal in that country. There will be separate offerings in the U.S., Canada, Japan and Switzerland.

Can I have the commission on my application paid to charity?

Some stockbrokers have made arrangements with specific charities to pass on a portion of the hefty 2 per cent commission that is being paid. This is frowned on by the authorities, as commission should only be shared with financial intermediaries; but there is nothing to stop a stockbroker choosing to give to charity a sum equal to the commission. Try Vickers da Costa for Help the Aged, or Montagu Loebl Stanley for the British Heart Foundation.

Should you go for vouchers or bonus shares?

Most people are going for vouchers, because they are tax free and are paid quicker. But make sure that you will be able to use them. If you do not have a phone bill in your name, or that of your spouse, you will not be able to benefit from them.

If you are applying for more than 2,400 shares, however, you will not be getting any extra perks for your extra investment, so you may be better off with the bonus shares.

But remember that you must hold your shares until November 30, 1987, to get these bonus shares, and if you sell before then the rights to the perks will not be transferred to the new owner. If both husband and wife are applying, don't both ask for vouchers. Only one can be used on each phone bill, and they expire after ten months, so you may not be able to use them all.

Can I safeguard against the value of my shares falling?

On these pages last week we mentioned the possibility of using traded options to preserve the share value. But it is necessary to act with care. For example, if you write call options, your stockbroker will probably ask for you to put the underlying shares into a nominee account, and because they pass out of your name you will lose your entitlement to vouchers or bonus shares.

How soon can I sell my shares?

To be on the safe side, you should not sell until you receive a Letter of Acceptance. But dealings in BT shares will start on December 3, and some people may not receive their letters until December 10.

If you really cannot wait, make sure with your bank that your cheque has been cashed and find out from the press announcements how many of the shares you applied for you should have received. If you start dealing in shares that you do not in fact possess, you could find that you have to buy in the market at very fancy prices.

And can I sell before the second and third instalments are paid?

The shares will be traded in "partly paid" form, so the actual price when dealings open will be 50p. If you sell them on partly paid the liability to pay the later instalments will pass to the buyer.

How much will it cost me to sell the shares?

The Government has arranged for reduced dealing costs for small parcels of shares sold back through the regional co-ordinators until the end of 1986. The details of the cheaper commissions are in the full prospectus, and the addresses of the regional co-ordinators in that and the mini-prospectus. Or you can deal through your bank, who should deal with the brokers on your behalf at the reduced rates.

A final word of warning from the stockbrokers who have been enthusiastically promoting the British Telecom issue. If the £260 you are planning to invest is the only £260 you have, put it into the building society.

The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns 1–6 as at close of business on Monday 19th November 1984; columns 7–11 (Geographical Spread, Gearing Factor) as at 31st October 1984.

Total Net Assets (1) £ million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 31.10.84 (12) base=100
	CAPITAL & INCOME GROWTH										
358	Alliance Trust	Independently managed	555	3.7	756	35	47	9	9	94	318
56●	Anglo Scottish	C S Investments	155	2.8	167	47	45	3	6	82	291
68	Bankers	Touche, Remnant	80	3.7	107	44	39	11	6	103	317
216	Border & Southern	John Govett	143	3.3	197	44	26	23	7	107	278
276	British Investment Trust	Independently managed	335	3.6	440	45	35	17	1	85	283
64	Brunner	Kleinwort Benson	63	4.3	87	46	26	6□	13□	98	285
74	Charter Trust & Agency	Kleinwort Benson	71	4.2	91	57	26	14	3	84	278
116	Continental & Industrial	Schroder Wagg	493	5.2	664	57	42	–	1	101	252
155	Drayton Premier	Montagu Inv. Man.	352	4.7	493	56	27	14	3	91	+
469	Edinburgh Investment	Independently managed	100	3.7	132	45	39	9	7	104	314
97	First Scottish American	Independently managed	228	3.8	306	58	25	16	1	90	302
514	Foreign & Colonial	Foreign & Colonial	125	2.9	165	40	33	19	8	105	318
52	General Consolidated	Philip Hill	228	5.3	273	55	41	–	4	94	302
634	Globe	Electra House Group	242	5.3	330	64	24	5	4	103	246
273	Philip Hill	Philip Hill	220	6.0	283	70	28	–	2	93	265
7	Jos Holdings	Kleinwort Benson	97	4.7	126	78	17	5	–	89	266
32	Keystone	Warburg Inv. Man.	338	4.2	438	55	30	14	1	104	293
32	London & Strathclyde	Gartmore	155	2.2	173	45	48	3	4	119	295
38	Meldrum	Gartmore	144	4.1	188	74	26	–	–	94	287
109	Northern American	Independently managed	248	3.1	324	44	35	21	–	92	294
91	Outwich	Baring Brothers	127	3.2	165	55	21	15	9	106	268
104	Raeburn	Lazard Brothers	292	4.1	385	49	36	10	5	96	267
71	River & Mercantile	Tarbutt & Co.	114	5.6	146	64	27	7	2	84	+
39	River Plate & General	Tarbutt & Co.	192	4.8	240	76	13	–	11	106	+
31	Save & Prosper Ret. of Assets	Save & Prosper Group	72	3.0	90	100	–	–	–	176	+
406	Scottish Mortgage	Baillie, Gifford	345	2.8	449	35	58□	23□	4□	96	344
187	Scottish National	Gartmore (Scotland)	205	3.0	266	45	38	8	6	106	300
162	Scottish Northern	Paull & Williamsons	113	4.1	154	69	24	3	4	115	214
128	Second Alliance	Independently managed	484	3.7	654	36	47	9	8	95	317
127	Securities Trust of Scotland	Martin Currie	105	5.0	143	67	16	15	2	104	284
429	TR Industrial & General	Touche, Remnant	141	3.4	192	41	23	27	9	104	265
334	Witan	Henderson	135	2.7	182	46	31	14	7	108	322
	United Kingdom										
10	City of Oxford	Hambros Bank	180	5.2	228	99	1	–	–	95	252
29	Fleming Claverhouse	Robert Fleming	217	5.1	290	100	–	–	–	101	279
25	New Court	N M Rothschild	342	5.7	462	94	3	1	2	104	245
7	*Shires*	*Stanecastle Assets*	210	5.4	196	97	3	–	–	102	195
100	TR City of London	Touche, Remnant	74	6.0	97	89	9	–	2	102	263
75	Temple Bar	Electra House Group	101	6.2	130	96	4	–	–	93	254
	CAPITAL GROWTH										
	General										
197	Anglo-American Securities	Morgan Grenfell	260	2.9	336	43	30	22	5	110	295
51	Ashdown	Schroder Wagg	374	2.8	459	54	30	10	6	95	250
143	Atlantic Assets	Ivory & Sime	85	0.8	116	30□	65	–	5	86	291
107	Edinburgh Amer. Assets	Ivory & Sime	175	0.7	221	15	80	1	4	107	338
58	Electric & General	Henderson	249	1.6	317	50	36	12	2	98	318
20	Greenfriar	Henderson	198	1.0	243	58	21	11	10	104	373
222	Scottish Eastern	Martin Currie	145	3.4	196	60	14	21	5	105	270
	International										
65	Berry	GT Management	163	0.9	185	46	30	11	13	109	396
59	English & New York	Kleinwort Benson	90	3.7	110	34	46	11	9	99	257
69	English & Scottish	Gartmore	62	2.6*	82	38	35	14	13	91	321
10	F & C Eurotrust	Foreign & Colonial	116	2.0	120	8	–	–	92	104	220
183	Fleming Overseas	Robert Fleming	102	3.3	137	11	47	17	25	80	287
78	Fleming Universal	Robert Fleming	269	3.6	356	25	42	15	18	87	267
62	Gartmore Information & Fin.	Gartmore	49	3.2	65	38	52	5	5	125	281
24	Group Investors	C S Investments	248	2.1	299	45	51	1	3	101	350
111	Hambros	Hambros Bank	134	4.1	184	49	42	4	5	110	264
166	Investors Capital Trust	Independently managed	204	2.4	261	32	40	17	11	99	279
17	London & Gartmore	Gartmore	247	0.9	301	24	68	4	4	83	349
9	Mid Wynd International	Baillie, Gifford	149	1.9	166	13	39	21□	27	99	+
156	Monks	Baillie, Gifford	147	2.3	187	28	36	30□	6□	94	315
183	Murray Growth	Murray Johnstone	86	2.3*	113	35	45□	16□	4	90	297
199	Murray International	Murray Johnstone	111	3.9*	145	31	47□	18□	4	83	305
66	Murray Smaller Markets	Murray Johnstone	136	2.1*	199	21	15□	30□	34	98	296
65	North Atlantic Securities	Morgan Grenfell	271	1.7	331	–	50	36	14	98	316
22	Northern Securities	GT Management	152	1.6	188	53	24	9	14	112	323
90	Romney	Lazard Brothers	232	2.7	300	23	46	20	11	100	285
292	Scottish Investment Trust	Independently managed	239	2.8	323	32	37	19	12	101	277
71	Trans-Oceanic	Schroder Wagg	145	3.0	193	37	39	16	8	97	280
69	Tribune	Baring Brothers	101	2.7	132	35	33	17	15	92	334
181	U.S. Debenture Corp.	GT Management	180	5.2	239	53	25	13	9	104	250
	North America										
128	American	Edinburgh Fund Mgrs.	109	3.3*	147	24	76	–	–	100	271
114	Fleming American	Robert Fleming	430	1.4	542	3	97	–	–	94	274
26	Gartmore American Secs.	Gartmore	105	2.7	134	18	68	10	4	101	314
131	Stockholders	John Govett	110	2.6	146	20	77	1	2	98	247
74	TR North America	Touche, Remnant	160	3.0	203	5	95	–	–	113	302
	Far East										
53	CJR Pacific	J. Rothschild	95	–	107	–	–	89□	11	74	+
24	Drayton Far Eastern	Montagu Inv. Man.	114	1.1	140	4	–	59	37	86	+
97	F & C Pacific	Foreign & Colonial	138	3.6	178	21	23	31	25	96	251
174	Fleming Far Eastern	Robert Fleming	298	1.0	337	2	–	75	23	90	347
158	Lake View	John Govett	266	2.2	340	12	4	63	21	99	301
8	New Australia	Edinburgh Fund Mgrs.	104	0.5	127	–	–	–	100	125	+
36	TR Australia	Touche, Remnant	95	3.0	127	8	–	–	92	95	256
111	TR Pacific Basin	Touche, Remnant	254	1.1	321	8	1	60	11	96	349
	Japan										
32	Baillie Gifford Japan	Baillie, Gifford	293	0.2	319	–	–	100	–	56	+
55	Crescent Japan	Edinburgh Fund Mgrs.	150	0.3	163	–	–	100	–	99	497
118	Drayton Japan	Montagu Inv. Man.	354	0.4	435	1□	2	96	1	83	+
56	Fleming Japanese	Robert Fleming	514	0.8*	560	3	–	97	–	92	374
53	GT Japan	GT Management	159	1.3	171	6□	1	89	4	96	477
20	Japan Assets	Ivory & Sime	60	0.1	66	–	–	100	–	91	+
37	New Tokyo	Edinburgh Fund Mgrs.	342	–	372	–	–	100	–	95	†

Total Net Assets (1) £ million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 31.10.84 (12) base=100
	Commodities & Energy										
6●	City & Foreign	Montagu Inv. Man.	[illegible]	–	146	6□	94	–	–	97	[illegible]
10	New Darien Oil	Hodgson Martin	65	0.5	86	15	71	–	17	104	–
15	Precious Metals	J. Rothschild	109	0.7	127	12	67	1	20□	85	–
84	TR Natural Resources	Touche, Remnant	243	4.4	315	26	48	1	27	[illegible]	[illegible]
62	Viking Resources	Ivory & Sime	80	2.0	108	38□	64	–	–	115	[illegible]
15	Wemyss	Edinburgh Fund Mgrs.	312	5.6	677	40	30	–	30	92	217
27	Winterbottom Energy	Baillie, Gifford	96	1.2	103	4□	91	–	2	93	304
	Technology										
10△	Baillie Gifford Technology	Baillie, Gifford	55	–	60	58□	42	–	–	43	*
86	British American & Gen.	Kleinwort Benson	89	2.5	110	31	35	6	5	99	277
76	Fleming Technology	Robert Fleming	143	2.2	193	41	25	25	1	93	305
76	Independent	Ivory & Sime	225	0.9	272	18	67	–	5	93	+
274	TR Technology	Touche, Remnant	84	2.8	116	33	40	23	4	107	295
	INCOME GROWTH										
109	Aberdeen	Aberdeen Fund Managers	152	6.2	187	67	25	3	5	95	256
230	British Assets	Ivory & Sime	180	5.4	236	45	32	–	2	97	282
19	Lowland	Henderson	203	4.6	255	91	8	–	–	96	281
121	Merchants	Kleinwort Benson	83	4.7	112	50	36	11	6□	91	261
106	Murray Income	Murray Johnstone	100	6.4*	122	76	11□	20□		90	–
	SMALLER COMPANIES										
33	English & International	Montagu Inv. Man.	215	4.3	250	55	30	9	6	101	[illegible]
62	F & C Alliance	Foreign & Colonial	84	3.5	105	52	30	14	4	102	[illegible]
11	Family	Kleinwort Benson	150	3.8	181	91	5	–	4	97	[illegible]
17	Fleming Fledgeling	Robert Fleming	94	3.4	150	71	–	5	5	97	[illegible]
25	General Stockholders	John Govett	135	2.4	173	85	11	–	4	96	[illegible]
46	Glasgow Stockholders	Gartmore (Scotland)	101	2.6	127	45	44	2	3	101	[illegible]
23	London Atlantic	Investors in Industry	142	5.7	197	80	19	–	1	95	[illegible]
30	London Prudential	Kleinwort Benson	258	3.2	237	70□	13	–	5	96	[illegible]
14	Moorgate	Philip Hill	258	5.5	286	88	9	–	1	91	[illegible]
13	North British Canadian	Investors in Industry	181	3.0	219	84	15	–	–	94	[illegible]
44	St Andrew	Martin Currie	270	3.8	317	67	31	16	4	100	[illegible]
180	Scottish American	Stewart Fund Managers	201	3.5	286	67	40	6	1	96	[illegible]
32	Smaller Companies Int.	Edinburgh Fund Mgrs.	92	3.6	130	51	22	14	–	96	[illegible]
156	TR Trustees Corp.	Touche, Remnant	121	4.0	166	85	15	–	–	107	[illegible]
166	Throgmorton	Throgmorton Inv. Man.	201	4.8	273	65	22	–	–	114	291
	SPECIAL FEATURES										
55	Atlas	J. Rothschild	85	2.2	107	42	34	16	8□	91	[illegible]
12	Consolidated Venture	Montagu Inv. Man.	95	1.3	121	19□	51	1	–	92	[illegible]
131●	Drayton Consolidated	Montagu Inv. Man.	263	4.8	326	59	27	9	–	96	[illegible]
16	Edinburgh Financial	Stanecastle Assets	30	2.2	43	71	15	9□	5	121	[illegible]
29●	Fleming Enterprise	Robert Fleming	218	4.3	257	100				94	[illegible]
224	Fleming Mercantile	Robert Fleming	104	5.3	130	80	13	–	10	96	[illegible]
12	GT Global Recovery	GT Management	99	2.9	122	63	23	9	11	98	[illegible]
+	London Trust	London Trust Man. Serv.	92	4.3	[illegible]						
38	Murray Ventures	Murray Johnstone	260	2.1	317	61□	16	12	11	91	[illegible]
71	Nineteen Twenty-Eight	London & Manchester	195	4.7	231	81	8	–	11	94	[illegible]
[illegible]	Stewart Enterprise	Stewart Fund Managers	38	1.6	45	62	18	16	4	100	[illegible]
79	TR Property	Touche, Remnant	134	3.4	173	71	15	3	11	102	[illegible]
	SPLIT CAPITAL (x)										
19	Altifund	Gartmore	432	0.1	517	96	4	–	–	115	[illegible]
2	Child Health Research	J. Rothschild	287	–	305	16	17	37	30	130	[illegible]
52	City & Commercial	Montagu Inv. Man.	567	–	747	81	4	8	4	114	[illegible]
26	Dualvest	Montagu Inv. Man.	870	–	1172	86	1	1	1	110	[illegible]
25	Fundinvest	Montagu Inv. Man.	[illegible]	–	711	90	5	–	4	116	[illegible]
8	Marine Adventure Sailing	J. Rothschild	172	–	197	17	17	22	44	110	[illegible]
29	New Throgmorton (1983)	Throgmorton Inv. Man.	26	–	31	93	–	–	–	103	[illegible]
2	Save & Prosper Linked	Save & Prosper Group	179	–	413	100				122	[illegible]
18	Throgmorton Sec'd Growth	Throgmorton Inv. Man.	246	–	226	100				114	[illegible]
72	Triplevest	Montagu Inv. Man.	664	–	972	85	1	14	1	115	[illegible]

NOTES TO THE TABLE

\+ Nil data. ● Applies to Ordinary/"A" Ordinary only. a Does not include special dividend. □ More than one quarter in non-equity investments. (x) Capital shares. △ Shares partly paid. ● More than 20% in securities or other assets included at directors' valuation. ac Adjusted for scrip issue. ar Adjusted for rights issue. (q) Published quarterly.

(a) Cols. 1, 4 to 6. Figures supplied by Wood Mackenzie & Co. members of The Stock Exchange. The figures in Cols 4 & 6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

(b) Col. 11. The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet "How to make IT your money."

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, FREEPOST, London EC2B 2JJ. Tel: 01-588 5347.

INDICES OF FIVE YEAR TOTAL RETURN

+ Investment Trust Average	293
F.T.-Actuaries All-Share	278
* Standard & Poors Composite	331
* Tokyo New Shore Exchange	332
* Capital International World	298

\+ Excludes split capital.
* Adjusted for exchange rate changes.

PROPERTY

How to live with Dickens

BY JUNE FIELD

WHEN THE "listing" of important buildings by the state first began back around 1946, largely as the result of war-time damage, many owners of private houses were frankly hostile to the idea.

Challenging the right of an Englishman's home to be his castle without interference was something completely alien. As Anthony Dale, an investigator of Historic Buildings from 1961 to 1976 (they call them inspectors now), has recorded: "One man in the New Forest wrote that he would resist the listing of his house 'gun in hand if necessary'." Fortunately he simmered down when a meeting was arranged.

Now that listed property owners have been given various financial incentives (VAT relief on alterations which require listed building consent, grants, rate relief and so on), the trend is to apply to have your home listed.

A starting point is to write with the fullest historic and architectural details and photographs, to new Historic Buildings and Monuments Commission, Fortress House, Saville Row, London, W1.

But remember, that once listed, you could be at the mercy of officialdom, and cannot make alterations as the fancy takes you: there is no distinction between the interior and the exterior. Even repairs and maintenance must not affect the character of a building.

There are often unforeseen consequences of listing too, and the magazine *Period Home* (£18 for 12 issues from Derek Knoll, Period Home Publications, 90b, High Street, Tenterden, Kent), concentrates on specialist advice for listed-property owners.

In the November issue, Paul Bristow, head of listings, Department of the Environment, explains the ramifications of "spot-listing," serving a BPN (building preservation notice), and a certificate of immunity, whereby anyone who has applied to alter, extend or demolish an unlisted building can make sure that for five years the building will not be listed.

Properties are mainly listed for historical and architectural reasons. The majority of the 327,686 buildings listed up to the end of September are in the Grade II category — places built before 1700 and up to 1840; from then up to 1914, plus the occasional 1930s building. Only those "of definite quality and character" qualify.

Something special gets Grade II*; the top rating is Grade I, of which there are only 5,558. The combination of distinguished names help. Charles Dickens' home, Gads' Hill, near Rochester, is an 18th-century house which would be Grade II* architecturally, anyway, but gets Grade I for the Dickens' association. The same applied to Batemans, Burwash, a fine mid-17th-century ironmaster's house, which would be starred in its own right, but is upgraded because it was Rudyard Kipling's.

Piers Court, a Georgian house in 27 acres at Stinchcombe, Gloucester, which sold recently through Humberts on offers over £275,000 within seven days of going on the market, was the starred home of Evelyn Waugh.

The few Grade I houses that have come on the market this year are all superb examples of English architecture. Sheffield Park, East Sussex, a Tudor mansion altered to neo-Gothic around 1775 by James Wyatt, is in the region of *£650,000* through Humberts, and Somerhill, in 53 acres in Tonbridge, Kent, a Jacobean house that was the former home of the Goldsmid family, was on offer in excess of £1.5m through Knight Frank and Rutley and Joyea Leppard.

It is not only the actual building that is listed in the case of the Grade II Tower House, London Road, Arundel, Sussex. The raised limestone pavement in the front, the Purbeck stone retaining wall, the brick gate-piers, even the iron railings and steps must remain in their original form.

The early 1800 property, once a vicarage, was bought from the trustees of the last Duke of Norfolk, by Pengam Properties, a local development company run by Bridget Youatt. Part of the striking yellow brick house with its dramatic views to the cathedral on one side, Arundel Castle on the other, with glimpses of the sea and river, is being converted into seven smart apartments.

The project is supervised by architect Stewart Miller, responsible for a theme park at Brighton, holiday lodges in Yorkshire and Scotland, the refurbishment of the health club at London's Grosvenor House hotel, and, since moving his practice to Sussex in 1981, the conversion of the Old Priory House in Arundel into shops and flats.

Accommodation at The Tower House varies from a studio at £45,000 to a three bedroom, two bathroom apartment at £95,000. Useful extras are individual lockable storage units, and a laundry room in the basement.

Also on offer is a four bedroom mews house at £125,000, which is being created from the original stables and coachman's quarters. (Brochure from the managing agent, Philip Perryman, Cluttons, Estate Office, London Road, Arundel, whose premises are in the other half of the house).

Bath has over 5,000 listed buildings, and 14 Camden Crescent, Grade I (Jane Austen lived at her aunt's, a few doors down for a while), has just been converted into three impressive apartments by Paul and Susan Meeks of Mountford Construction. (They won an architecture award in 1980 for the restoration of Westbury House, 17th century mansion on the banks of the River Avon.)

At Camden Crescent, designed by John Eveleigh around 1780, the Bath stone has been cleaned and repaired, damp and timber treatment carried out under a 20-year guarantee, and the glazing bars of Georgian sash windows replaced. The apartments are priced at £70,000 to £145,000 through Philip Jennings, Pritchard and Partners, 11 Quiet Street, Bath, BA1 2LB, and Hugh Treseder, Sturgis and Son, 61 Park Lane, London, W.1.

Until the demise of the Department of the Environment's Historic Buildings Bureau in London early this year, one way to get details of listed properties around the country was to be on their mailing list for a free quarterly bulletin.

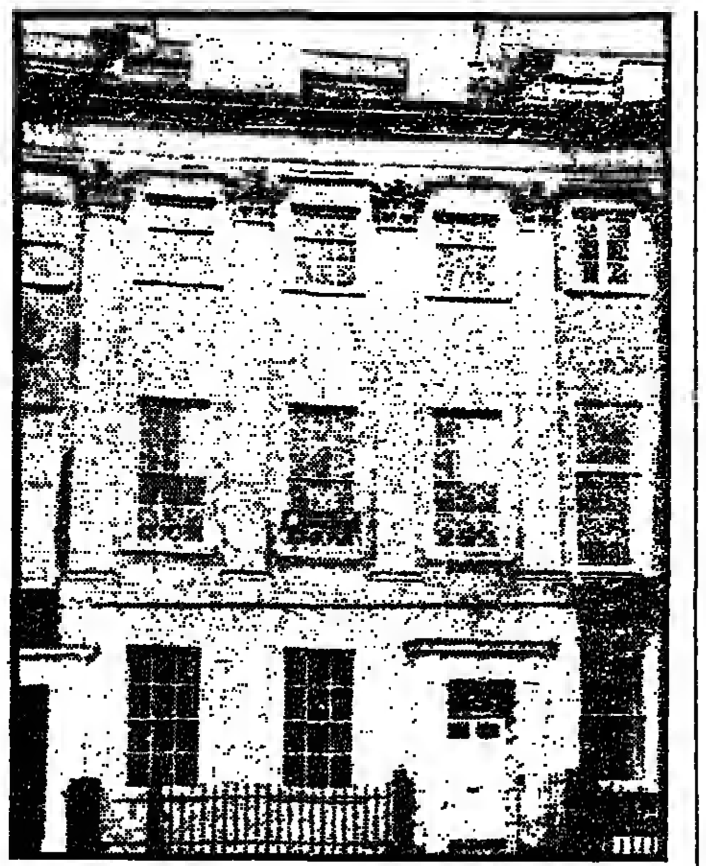
Now only the Scottish Development Department's Historic Buildings Bureau in Edinburgh continues to publish a free list of cottages and castles for which they are anxious to help an owner find a new user.

Filling the gap is a commercial venture, The Historic Buildings Company, which produces *The Property Register*, £15 for six months subscription, £25 for a year, from Brian and Judy Leadsom, Chobham Park House, Chobham, Surrey.

Catalogued recently were a redundant grammar school in Lincolnshire (£25,000), a town house in the Wye Valley with a pottery in the cellar (£58,000), and a country house near Wolverhampton, with a bathroom made out of the former brewhouse, £95,000. All are Grade II.

In the Grade I, Charlton Park House, Malmesbury, Wiltshire, built for the Earl of Suffolk in 1607, and converted into flats a few years ago by Christopher Buxton, there are re-sales from £79,500.

● Note: Telephone numbers for the contacts in the recent Overseas Property column are: Montpelier International 01-589 3400; Malkin Cullis and Sumption 01-379 3385; and Hedleys 01-638 1001.



Listed Grade 1, 14 Camden Crescent, Bath, Avon, converted to three apartments. Details Pritchard & Partners 0225 55225, and Sturgis & Son 01-439 1401.

The Tower House, Arundel, Sussex, listed Grade II, part of which is being converted to seven apartments. Details Cluttons 0903 882213

Shopping list for apples

GARDENING

ARTHUR HELLYER

A FEW weeks ago I read an article complaining that, although there are more than a hundred English varieties of apple, no more than three can be bought in shops. If the writer had in mind supermarkets and High Street fruiterers he may have been right, but far more varieties are available if one knows where to look for them.

The English Tourist Board has just published a folder which does just that. *Take a Fresh Look at Apples* contains a map covering England from Cheshire and Nottinghamshire to Somerset, Hampshire, Sussex and Kent. It shows the location of 70 fruit farms and indicates what varieties can be obtained from each.

It is quite an eye-opener to me for, though I did not agree with the "three only" verdict, I would not have put the number of available varieties as high as 50 which is the total in the ETB folder. There are even half a dozen that are little more than names to me—Vilahella, Jerseymac and Kayt (or Katja since it was named in Sweden), all described as suitable for eating as soon as picked and Ingrid Marie, Lobo and Peart for mid-season use.

In this folder there are detailed descriptions by Dr Joan Morgan of all the varieties listed as well as the addresses and locations of the farms where they are grown. A few of these farms have only two or three varieties to offer but some have a much wider selection.

The Fruit and Vegetable Centre, Amberley, Droitwich grows 20 varieties, including Katy, Melrose, Crispin, and Idared. Hilt Farm Orchard, Swanmore, Southampton, has 21 varieties, Hewitts Farm, Chelsfield, Orpington, 22, and Middle Farm Shop, Firle, Lewes, 22, all three with Vistabella and Katy on offer.

I find this folder fascinating not only as a guide to places in which good apples are still grown but also as a reminder of apples that one might be growing at home. There is Ashmead's Kernel, for example, a very old apple of which I do have a couple of young trees and which I am eating with great enjoyment.

There is a lovely description of it in Robert Hogg's *Fruit Manual* (my copy is the fourth edition published in 1875) which says the tree is hardy, an excellent bearer and will succeed in situations unfavourable to the Nonpareil and possessing all the richness of that variety but with a more sugary juice.

My experience is that one has to wait a few moments for the sugar to appear. At first bite this apple seems quite sharp but then the sweetness begins to take over. It was recommended to me as a disease resistant variety and so far this has proved to be true.

Ashmead's Kernel is a very old apple raised by a Dr Ashmead in Gloucester in the early 1700s but it is probably nothing like as old as D'Arcy Spice. The ETB folder says that, though it was found in 1848 in the garden of The Hall, Tolleshunt D'Arcy, near Colchester, it was already a very old variety which some authorities believe is an ancient French apple brought from that country by monks who settled in Essex.

Hogg describes it as having a particularly rich and vinous flavour partaking somewhat of the Nonpareil and Ribston but particularly the latter. Dr Joan Morgan describes it more briefly as hot and spicy.

It is a late apple to be eaten after Christmas and both Jacob's Farm, Heybridge, Maldon, and Oliver's Orchard, Oliver's Lane, Colchester, still grow it. Whether young trees are available for home planting I do not know but this is not an apple that has a good garden reputation.

There is no difficulty in growing Egremont Russet, another apple of uncertain age and rather puzzling reputation. It was first recorded in 1872 but was probably raised long before that. It is a vigorous, easily grown apple that produces plenty of russet covered fruits which I find too dry for my liking.

Dr Morgan remarks that, if eaten early in the season, by which I presume she means in October, it has some juice and a fruity, nutty taste but that it becomes dry with keeping and that the flavour is also dry and reminiscent of dried leaves or the scent of crushed ferns.

If your curiosity is aroused, 27 farms on the ETB map are anxious to satisfy it and many nurseries and garden centres should be able to supply young trees as it is grown and distributed by Matthews Fruit Trees, one of the largest East Anglican wholesale tree nurseries.

It is many years since I grew Miller's Seedling, a prolific, early-ripening, cream-coloured apple best eaten in September when it becomes flushed with pink. At one time it was extensively grown for market but the fruit is soft and travels badly so it was gradually discarded.

But at least two fruit farms still grow it, Badger's Hill Fruit Farm, Chilham, Canterbury and Hewitt's Farm, already noted. I cannot find young trees of the original Miller's Seedling listed anywhere, but its red striped sport, named Red Miller's Seedling, identical in every way except for skin colour, is in the Deacon's Nursery catalogue which contains 110 varieties of desert and culinary apples. Who says that no selection is available today? This nursery is at Godshill in the Isle of Wight.

One apple which, to my surprise, is not on the ETB map is Orleans Reinette. I expected to find it because, though very old, young trees are still readily available, even in many garden centres since Matthews grow it and recommend it as a no-trouble apple.

I have it and like its sturdy erect habit, though I am told it becomes more spreading with age. Said to have been raised about 1776, it is a golden apple flushed with red on the sunny side and with patches of russet. It will keep until February without difficulty.

Sunset is a Cox substitute that has been rapidly gaining in popularity in recent years. It was raised about 1918 but made no great stir at first. Now it is recognised as being a high quality apple which is much easier to grow than Cox.

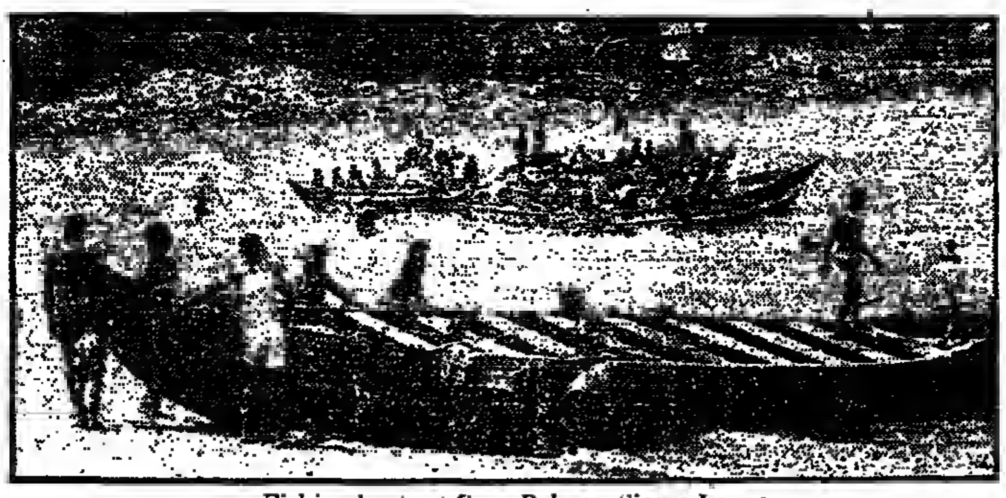
The ETB folder describes it as sharper and stronger than Cox, a description it also uses for Suntan—with which it must not be confused since Sunset is an October-November apple whereas Suntan is not fit to eat until after Christmas. Both can be sampled at several fruit farms.

Take A Fresh Look At Apples is available free from The English Tourist Board, 4, Grosvenor Gardens, London, SW1W 0DU, The Farm Shop and Pick Your Own Association, Hunger Lane, Muggington, Derbyshire, DE6 4PL or from any of the farms listed in it.

TRAVEL

Not quite darkest Africa

BY ARTHUR SANDLES



Fishing boats at Cape Palmas, Sierra Leone

PICTURE a long curving beach of golden sand. The sea beats in and here and there a bird plunges into the water in search of fish. It is January, but the temperature is in the eighties and only a breeze coming in from the ocean makes it seem cooler. Behind you the low trees are set against a blue sky. You are only half a day away from England.

You are in Africa.

West Africa has several compelling attractions in the winter months of the northern hemisphere. Quite apart from its climate the region is both a relatively short flight away, and is in a similar time zone.

This latter is, to my mind, crucial. Crossing the Atlantic is fun, but getting back to Heathrow at 6 am knowing that you have to be back at your desk next morning is not.

But Africa as a whole is getting a bad press lately. Many of its nations are torn by revolution and civil strife, tormented by famine and spiralling into decline with an enormous burden of international debt. Hardly the stuff that holiday brochures are made of.

But before you dismiss an African holiday as a bad joke, it is worth remembering that sometimes beaches and palm trees are just about all that some of these nations have left to sell.

It is in the west of the continent that the visitor finds what sometimes seems to be rare corners of at least passing stability in the region and, in recent years, such nations as Gambia, Senegal, Sierra Leone and Gabon have been looking to tourism and cossetting tourists as a more profitable potential crop than others have proved to be.

Tourism to the area in recent years has tended to be erratic and nationalistic. Apart from the Gambia it tends to be off the British tourist map. While UK residents look to Kenya and Zambia it is the French who have poured into Senegal and Gabon.

It should, of course, be emphasised that West Africa and East Africa are as different as Athens and Antrim. In physical nature, flora and fauna alone there are marked differences. Do not go to Senegal expecting to see lions and stalk hippo, see instead a remarkable array of birds and butterflies.

See also a different culture, a world familiar over the centuries with invaders from the sea, the Arabs and the Europeans, often seeking slaves as well as spices.

With the possible exception of the Ivory Coast it must be said that West Africa lacks the sophistication of its Caribbean rivals for the sunshine set. Much of the region is still in that twilight world of "international cuisine" with neither the skills to produce the best of European cooking nor the confidence to offer variations on local fare.

Generosity of portions often replace flair in the kitchens. Hotels tend to be goodish four star standards, unpretentious but excellently equipped for the holidaymaker.

What I like about West Africa is its lack of hassle (I am not, of course, referring to such populous nations as Nigeria and Ghana, which tend not to be on the tourism circuit in spite of their ambitions in this field) and the ease with which one slips into gentle lethargy.

What I don't like is the ghetto atmosphere that you often find in the region, from the swarming Frenchness of the Club Mediterranee to the beer drinking clans of Nordic and British package trippers.

The region is served largely by two European airlines, British Caledonian and UTA. I have not flown UTA recently but BCal has certainly been part of the remarkable recent regeneration of British airlines and can be thoroughly recommended. There are also local airlines.

But now for some prices. A two week trip to the Gambia this winter will cost between £370 and £550 depending on the accommodation, time of year and number of meals included. The main tour operators are Blue Sky, Wings, Kuoni and Thomson. You go for the sun and the sand.

The terrain is flat and the hinterland heavily bush and mangrove. Excursions include a trip to Juffure (of Roots fame) and the monkey and crocodile reserve. The market in Banjul is fun and colourful.

For Sierra Leone the prices are roughly between £400 and £600, with Wings, Kuoni and Atlas Africa offering programmes. Many tours use Sierra Leone Airways flights. You will need an entry permit which your travel agent should be able to get for you (there may be a service charge).

You go for the climate (not later than mid-May, however, as you may hit the rainy season) and for the scenery. Sierra Leone has the hilly backdrop that the Gambia lacks.

Your local British Caledonian Airways office will give details of flights to West Africa, as will UTA (Piccadilly, London).

Delights of winter sport in the U.S.

The low road to Beaver Creek

SAVINGS

ARTHUR SANDLES

FOR THE past couple of years we have regarded winter sports in the U.S. as the stuff that fantasies are made of — certainly for the average European. While alpine slopes have been packed with dollar rich Americans, traffic in the reverse direction has been somewhat hampered by crippling exchange rates.

But now the good news. Although the tiny reverses for the dollar in recent weeks have made little real impact, U.S. ski areas are keen to keep the doors of the European market open and are offering some surprising low cost holidays to Britains. So low are the rates that one or two resorts claim it is cheaper for a Londoner to buy a ski package in the Rockies, including flights, than a New Yorker.

Many American resorts have put their eggs in the American Express basket and that company has now issued a Ski USA brochure featuring Vail/Beaver Creek, the Ivy League twin-resort ski in Colorado, Jackson Hole, in the heart of Wyoming cowboy territory and offering some of North America's most testing skiing, and Park City, the Utah resort that was once a 19th-century mining village and is now an extensive ski area very close to Salt Lake City and ideal for families.

The prices range upwards from £470 for a one week trip to Park City. That price includes the flight on TWA, accommodation in self-catering flats, a lift pass and a mountain tour as well as transfers. Rates in Vail and Jackson Hole are somewhat higher and also vary according to the standard of accommodation and the time of year.

American Express does not have allocations of rooms so it has to telex the resort for confirmation (Amex pays for this). There could be problems where busy weekends are involved, but not, I am assured by Amex and the resorts, normally.

Large numbers of American ski resort representatives have been in London over the past week or so for the Ski Show and all are counting on the dollar weakening so that Europeans will return again to U.S. slopes.

For the moment, however, a surprising number of Britons continue to ski in America, notably as an add-on to business trips. TWA is beefing up its appeal to this market with a special offer to its passengers who have First Class or Ambassador Class bookings to U.S. gateway cities. The airline is offering three-night stays in the resorts mentioned above including a return flight from accommodation, lift pass and airport transfers. The accommodation is in "a moderate grade hotel" and ski equipment is available from $8 a day.

The prices are $132 to Vail, $140 to Park City and $328 to out-of-the-way Jackson Hole. You pay in sterling at whatever the rate is on the day of booking.

American Express and TWA are involved in these packages partly because they are major sponsors of skiing in the U.S. Other names do pop up from time to time, however. American Dream is selling U.S. ski packages this winter (using TWA) and its trips include Heavenly Valley, Alpine Meadows, Aspen and Vail. Prices for Aspen, one of the world's great recreational ski areas, range from £575 for one week in moderate accommodation in January to over £1,200 for two weeks, peak season, in a top-notch hotel.

The eastern resort of Killington (Vermont) has appointed a British agent, Garlandhart (Peaks Brook, Fernhill, Horley, Surrey), and is offering sterling priced packages (typically £130 for each of two people spending three days in the resort) as bolt-ons for business visitors but also offering round-trip flights to Boston from £239 so that a complete package can be assembled.

I would certainly rate Killington very highly for a short-stay bolt-on for any east coast business trip. For a longer visit, however, my own choice would still be the Rockies or the Sierras.

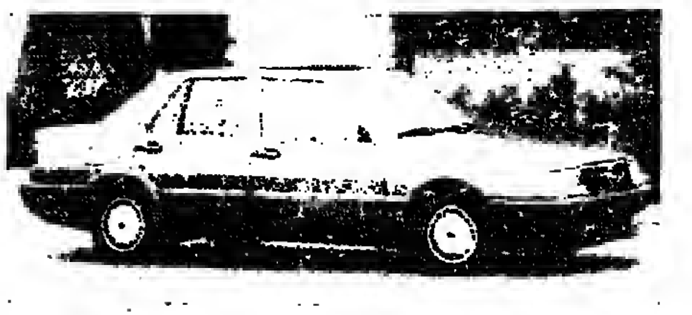
My reasons are simple enough. East coast skiing is very similar to European skiing but not as good—it is colder and does not have the extensive resorts or village atmospheres.

The west, on the other hand, offers a type of snow rarely seen in Europe, ski terrain that is carefully planned and maintained, a lack of lift queues and generally superb weather. I've skied most of the major resorts from Taos in New Mexico to Alyeska in Alaska and personally would plump for Jackson Hole for skiing, Lake Tahoe, Heavenly Valley or the smaller Northstar for the scenery, Park City for low cost and high jinks and Snowmass at Aspen as the best all-round place to be. Aspen is four resort areas, cheek by jowl but not linked by lifts. The town itself is by far the best of America's ski areas for night life (there is a free drunks' bus back to nearby

MOTORING

The Renault 25 . . . big and comfortable

The Vauxhall Astra . . . good and simple



The Lancia Thema—quiet and refined

1, 2, 3, Renault, Lancia, Astra

BY STUART MARSHALL

MOTOR INDUSTRY executives will be spared their normal nail-biting Christmas this year because the winner of the Car of the Year Award will be announced early. The votes have been cast already and the winner will be known by the middle of next week.

Who will get the award, which has enormous publicity value and is exploited for all it is worth by the winner? My guess is Renault, with the 25, chosen this week as "top car 85" by Britain's Guild of Motoring Writers.

The list of runners and riders looks like this: Austin Montego, Opel Kadett (the General Motors car we know as the Vauxhall Astra), Lancia Thema, Renault 25, Seat Ibiza, Mitsubishi Colt and Galant, Nissan Bluebird and Silvia, Honda Civic and Jazz and the Toyota Carina. It is a smaller and less impressive list than last year, when the Fiat Uno just pipped the Peugeot 205 at the post and there were 15 entrants, six of them Japanese.

The Montego (a booted development of the Maestro hatchback) is eligible this year because it has a longer wheelbase than the car from which it sprang. The Orion and Regata (three box versions of the Ford Escort and Fiat Strada respectively) were turned down last year as not being sufficiently different from their hatchbacked ancestors.

Opel's Kadett isn't much different mechanically from the previous model but the low drag bodies are all new. Both Lancia Thema and Renault 25 are completely new cars, some engines excepted.

The Seat Ibiza has a Porsche-designed engine, a body styled by Giugiaro of Turin and looks worryingly competitive. I haven't tried it yet—it goes on sale here by summer 1985—but those who have say it lacks some refinement.

Mitsubishi's Galant and Colt are transverse engined, front-wheel driven saloon and hatchback models in the medium/large and medium/small brackets. They are efficient, smooth running, ride and handle well, but they have been criticised as lacking character, whatever that may mean.

The Nissan Silvia sports 2+2 is exceedingly pretty, quick and well equipped; the Bluebird is in the same class as the Mitsubishi Galant—you could think of them as oriental Cavaliers. The Honda Civic, which comes as a three-door hatchback or astonishingly roomy Shuttle estate, has a superb 12-valve, four-cylinder engine and 5-speed transmission, also used in the Rover 200 series.

The Honda Jazz gains interior space by being tall and thrives in an urban environment. Toyota's Carina is another typical new generation Japanese mid-size saloon or hatchback, 1.6 litre petrol or 2-litre diesel engined, elegantly styled and built with finesse.

The jury, drawn from motoring writers in most European countries, has to take into account value for money as well as technical innovation. Like all juries, it is supposed to be 100 per cent objective. Inevitably, personal and national feelings creep in. Weighing up all the factors, I forecast the following results:

1—Renault 25, because it is big, comfortable and caters for all kinds of large car buyers from provincial taxi operators to senior executives.
2—Lancia Thema: an up-market rival to the Renault 25, very fast, quiet and refined.
3—Opel Kadett (Vauxhall Astra). An intelligent reskinning of a good though simple car.
4—Honda Civic. A mechanical jewel; were it European, it could have won.
5—Seat Ibiza. It will win marks because of its future promise.
6—Austin Montego. I wish I could put it higher. It's the best car Austin Rover has made but its international class rivals are formidably good.

Among the also rans, I think the Nissan Silvia and Toyota Carina will be nearest to the leaders. Why do I not rate the Mitsubishis and Nissan Bluebird higher? Simply because they are the kind of cars that win victories in the showroom, but not in international award competitions.

It will be a close contest among the top three, any one of them could be a winner.

The Maestro stays

Miffed by the appearance of a Maestro fitted with a turbo-diesel by Italian engine maker FNM at Turin Show, Austin-Rover urged the organisers to demand its removal as a "non homologated" vehicle. They wrote to FNM, which said it would do so when all the other non-homologated exhibits — by which it meant the exotic one-off styling exercises which are so engaging a feature of Turin—were taken away.

So the diesel Maestro stayed, though its body was covered by a plastic sheet with a panel cut out so only the engine could be seen.

Austin-Rover plans to introduce its own diesel Maestro in a year's time. The engine will be a dieselised "O" series unit with direct injection, a feature not yet incorporated in any diesel car engine.

FNM is hoping to convert 2,000 Maestros to diesel power for Italian buyers in the next year. They should do well. I tried the 1.3 litre turbo-charged engine in a Ford Escort.

Urged on by a man from FNM, I took it up to 130 km/h (81 mph) in fourth and held 160 km/h (100 mph) in fifth. It was growly when accelerating, but uncommonly spirited.

FNM has also offered a diesel pack for the Metro. That was turned down, too, which seems a pity. Another case of the NIH (not invented here) syndrome, I wonder?

CHRISTMAS DRINKS - 1

Battle for sales intensifies

Advertising for the drinks market is now at its peak as retailers woo the customers with special offers. LISA WOOD reports

CHRISTMAS MAY be fun for most people but for the drinks industry it is serious business.

For the three months to Christmas is the peak period for drinks' sales, accounting for about 40 per cent of tbe annual market. Sales during the period are estimated to be worth a staggering £2.5bn.

It is a period when the advertising of drinks reaches almost frenzied proportions. Nearly every single commercial break on television in the run-up to December 25 will host at least one advertisement for an alcoholic drink.

No figures are yet available for this year's expenditure on drinks promotion but last year, according to MEAL, the consumer and media monitoring group, advertisers spent £57m on promoting drinks in the Christmas period, an average of 33 per cent of their annual expenditure on promotioo.

Branded drinks, as promoled in the advertisements, tend to do particularly well at Chrislmas in a market place increasingly infiltrated by "own-label" prodocts.

Christmas is tbe time when the occasional drinker feels the need to buy a few bottles of spirits and bigher strength wines and finds re-assurance in in the well-established and familiar brand.

It is also a time when competition among retailers and wholesalers is at its most intense and alleged loss-leading on products provokes distributors to withdraw supplies.

Only this week the Landmark Group, the UK's largest casb and carry drinks wbolesaler, bas been warned of such a threat by Seagrams and IDV, the wines and spirits division of Grand Metropolitan.

"We've been given an ultimatum to withdraw our Christmas price structure in respect of Croft Original Sherry and White Satin Gin or face suspension of further supplies," said Mr Ray Donelan, Landmark wines and spirit controller. "But our view is that the smaller independent retailer musl counter the fierce competition from the multiples—some of it below cost."

For others in the industry alleged loss-leading is not the answer to the tough Christmas competition. A plethora of special offers including money-off voucbers for turkeys are being tried by off-licences.

While Christmas is the peak period for drinks such as port—more than 90 per cent of the annual advertising spent on port being in the Cbristmas period — retailers are looking to table wines for a particularly strong performance.

Consumption of table wines has risen considerably since last Christmas. The great impetus tn consumption was the March bndget which, in reducing tax on wine, brought prices down by about 18p a bottle.

"Generally the market is rather flat, with the exception of table wines," said Mr Lister Fielding, managing director of Victoria Wines, one of Britain's largest off-licence chains. His company's special Cbristmas promotion is a Liebraumilch at the highly competitive price of £1.49 a bottle.

The Wine and Spirit Association said that lhis Christmas it estimated all wines could be up by 15 per cent volume on last year. Sherry and vermouth could be up by about 2.5 per cent, sparkling wines and norts 10 per cent and British "made-wines" by about 4 per cent.

The market for spirits was estimated to be up by about 5 per cent in volume compared with the same period last year, the sector making a slow recovery from a downturn in sales in the early 1980s.

Liqueurs also come ioto their own in the Christmas period and have exhibited strong growth within the spirits sector. Whereas in the past the Christmas liqueur drinker brougbt out a bottle of Baileys Irisb Cream the market bas now extended into a bighly diverse collection of *beverages including cocktails* and mixer drinks. Examples include Matthew Clarke's Midori melon liqueur and IDV's Malibu, a tropical coconut drink laced with light Jamaican rum.

Christmas is also a time when the don't drink and drive lobby is at its strongest and this year Schweppes has introduced a new range of very low alcobolic drinks, called Drivers, to casb in on that market. Consumers have a cboice of ready-mixed gin and tonic, whisky and Canada Dry and rum and coke.

It is not only the content but also the packaging of drinks that is important at Cbristmas. Boxed wioes are popular witb party-givers and suppliers of boxed or "cask" wines estimate that tbis year their products will take some 20 per cent of Christmas sales compared with about 11 per cent for the rest of the year.

Colmans of Norwich, which with Stowells of Chelsea are the major suppliers of "cask" wines express irritation with the suggestion that the quality of their wines is not as good as bottled wines.

"I am appalled by the number of people who knock the three litre and two litre casks," said Mr Steve Duncan, marketing manager of Colmans. "The quality of wines in boxes has improved and we are using a higher quality of bag in the two litre cask which we are assured doubles the shelf life of the wine."

For many consumers, given the volume of drinks sold at Christmas, the qnality may be irrelevant. Some 200 to 225m litres of wines are expected to be sold this Christmas, worth £850-900m, according to the Wine and Spirit Association. Spirits sales, at around 140m boltles, are worth an estimated £1.5bn to £1.6bn.

The battle for the consumers' pounds will be one wbich will continue the struggle between specialist off-licences and multiple grocers, the latter now accounting for about 55 per cent of all off-licence drinks sales.

Burgundy suits the occasion

BY EDMUND PENNING-ROWSELL

I AM NOT one of those who believe that one's best bottles of wine should be opened at Christmas and New Year parties. For these demand the concentration and "elected silence" that does not go with paper hats and crackers. Nor, however, on such special occasions should everyday wines be served.

Fine rather than great bottles should be the order of the day, and this indicates wines with at least a certain seriousness for the whites and vintage wines of some age for the reds.

First for the aperitifs. It hardly needs saying that the best choice is champagne, and non-vintage for these occasions is every bit as good as the more expensive vintage, which in Champagne itself is generally reserved for drinking with a meal.

A less expensive alternative to champagne is Sparkling Saumer, and its scarcely dearer Crémant de Loire—with a smaller permitted yield of grapes per hectare and these less beavily pressed—this is well worth the extra.

If the decision is definitely for a sparkling wine aperitif two other French méthode champenoise wines are not to be overlooked: sparkling Seyssel from Savoy and Blanquette de Limoux from near Perpignan.

My next selection would be from among the sberries. Fino bas the merit of lightness, and as it oxides quickly, it sbould come from a freshly opened bottle, fairly well chilled. However, this is the season for the fuller flavoured sherries: in particular Olorosos and the rather rare Palo Cartado.

But they sbould be dry, which all sherry is naturally. An old dry Oloroso is a deliciously mouth-filling drink, and because it has sucb a concentrated flavour one glass is usually enough before a feast.

An alternative to this is a dry Madeira: Sercial or Verdelho Although obviously different in style from a sherry, they nevertheless bave a similar

welcoming qnality. This is not a wine to save money on by buying a cheap, round-the-corner bottle, because young madeira is pretty run-of-the-mill stuff, and here one wants something rather old and special.

When it comes to the meal, I believe that the white wine with the first course shonld be crisp and dry but not be too strong or too powerful. So wbile Chablis ('81 or '79 for choice) will do well, not the fuller Côte d'Or whites. Excellent too would be an Alsace Riesling ('83, but '81 should have more character and style). Other choices might be '83 Sancerre or Pouilly-Fumé.

The big decision, of course, concerns the red wine, and my definite first choice is burgundy, and a good Côte d'Or at that. These cannot be cheap to be good, but then for this occasion that may be a lesser consideration than normal, and it is the best wine to match birds of every variety.

Obviously a single-vineyard wine is likely to be superior to a commune wine only labelled Pommard or Nuits-St. Georges, but it all depends, and some excellent wines are labelled just Vosne-Romanée or Chambolle-

Unless one really knows one's burgundy, this is very much a wine that should be bought with advice or from the list of a traditional wine merchant. The vintages to look for are '80 (better than forecast but to be selected with care) '79, '78 and '76. There might be a preference for the two younger, lighter years.

The alternative to my mind is not claret, which should be reserved for a dinner on, say, Christmas or New Year's Eve, but Rhône. Hermitage or other northern Rhones for preference, but a good, not too young *Châteauneuf-du-Pape* is not to be despised. Most Rhône reds are drunk much too young, and it is worth buying as old as one can afford and find; and not younger than '80.

To avoid the charge of mnly recommending French table wines, it should be stated that a good mature Baroln or the rather more supple Barbaresco would do admirably with the main course. A Rioja too, but it should be an old Reserva, perhaps '73.

As this is nnt primarily a wine occasion where a succession of red wines may be served, I suggest that it is best to rely on an appropriate number of bottles of just a single wine. A magnum adds a certain distinction to the table, but these are not very common either in white wines nr in burgundies or Rhônes.

What to drink with the dessert depends very much on what it is to accompany. With Cbristmas pudding or even mince pies there are, of course, the obvious sweet wines such as Sauternes or the lesser sweet Bordeaux such Cérons, the more luscious German wines, the Loire Coteaux de Layon, beaded by Quarts de Cbaume, with its firmer acidity tban tha sweet Bordeaux, the delicious, grapy Muscat de Beaumes de Venise or the seductive Moscatel de Setubal from Portugal. Yet, assuming that these will be followed or replaced by fresh fruits and nuts, I would be inclined to leave such wines over, until then, when they will show better.

Moreover, they can be accompanied or followed by port or Madeira. If Stilton is on the menu tben it sbould be port, for all blne cheese kills tabla wines.

For the port, at such a dinner I would choose not a vintage but a fine old tawny: probably a 20-year-old from one of the leading firms such as Quinta do Noval or Taylor, but they should be excellent from any other house.

These are lighter, drier, than vintage ports, and therefore more suitable after a substantial meal: also less expensive. Such wines are usually at their best after 20 years in wood, being incomplete at 10 years, and usually past their best after 20.

With a Madeira it should be an old Bual or a Malmsey, the sweeter of the two. The mature vintage wines are inevitably expensive, but an old solera will hava that special nutty flavour that is pecuIiar to Madeira, one of the most undervalued fine wines of the world. There is no more suitable time than Christ-

CHRISTMAS DRINKS = 2

Carrot sticks to caviar

BY CARLA RAPOPORT

THE BUSINESS of feeding people who drink is turning into big business. Where once a bowl of crisps would do, now holiday drinkers expect a range of goodies, from carrot sticks to caviar, to be on hand at their favourite Christmas parties.

The trend this year is for healthy snacking, if there is such a thing at Christmastime. Sainsbury's, for example, is laying in big supplies of crispy-coated, frozen cauliflower florets and mushrooms. Customers can take them home, deep fry them and offer them up with home-made or packaged dips.

At Tesco's the health-conscious can go home with a pack of yogurt-coated nuts, or yogurt-coated raisins. Sesame nut crunch bars are also expected to be big sellers at the holiday, as are Shanghai nuts, which Tesco would only say "have an unusual coating."

California corn chips and Tortilla chips are expected to enjoy good sales as well.

Cheese is a traditional partner to wine and cocktails. This year, stores are headed towards speciality cheeses and samplers to tempt the party-giver. Tesco's will have a German cheese-taster for £2.39, along with such unusual English cheeses as the Ilchester beer, garlic and parsley cheese.

Mr David Rapkins, marketing director at Dorset Foods, a division of Northern Foods, says the nibbles market has been revolutionised by the growing popularity of the microwave oven.

Dorset has a profitably new line called Thaw and Eat which is enjoying growth of between 20 and 25 per cent this year. These products are already cooked, and can go straight from freezer to microwave.

Dorset is also one of the largest suppliers of one of the more traditional snacks, sausage rolls. Sales at Christmas time, he says, double to nearly 200 tonnes a week. "But we are seeing a change in the rolls today," he says. "They used to be 2-2½ inches long, now the demand is for bite size."

As an alternative to sausage rolls, Sainsbury's is offering stuffed vine leaves, quail eggs and individual pork pies. For the more discerning still, Harrods in Knightsbridge is probably the best place to head.

"We don't sell anything at Christmas that we don't sell year round," Hilary Close of Harrods points out.

For the Christmas party without a budget, she suggests Gravad-Lax, a Scandinavian dish of smoked salmon, dill and mustard sauce selling for £12 per pound.

Beluga caviar ranges from £21.75 for 50 grammes to £168.75 for 400 grammes. For those with less to spend, Sevruga caviar sells for £14.75 for 50 grammes; £112.75 for 400 grammes.

Or for the same price as 400 grammes of Sevruga you could buy 195 packets of crispy-coated frozen mushrooms.

Start well to stay the course

BY ARTHUR DAWSON

AT THIS time of the year the TV commercial slots are filled with new games to tempt children—and harass parents. But it is also the traditional time to launch new drinks, perhaps as a kind of relief to the harassment. Most of the newcomers, like the children's games, however, tend to lack staying-power once the traditional festivities are over.

Harvey's are clearly hoping that their Tico mixer drink will prove a notable exception. While not exactly brand new—it is enjoying a £750,000 promotion campaign until the end of this month—it is, say Harvey's, proving particularly successful in the south-east.

Harvey's describe it as a lightish sherry with a sweetener. It can be tried as a refresher mixed with ice and lemonade, or if that combination proves too sweet, tonic can replace the lemonade.

Even when families stay at home ready, as it were, to pull up the drawbridge rather than go out for drinks, it is as well to remember that a long day lies ahead and it is unwise to greet the Christmas meal with a jaded palate. So this is the day to remember the basic function of an aperitif—to sharpen the appetite.

Usually the tastes of guests and families are familiar but a surprise alternative to the traditional pre-lunch appetisers of gin and tonic, dry martini or sherries may prove a special treat. It can also cut down on preparing all those slices of lemon, ice cubes, olives and cocktail sticks.

One delightful pre-lunch social call I remember yielded pink champagne and smoked salmon canapes—a lovely start to the day. It comes a little expensive for a largish gathering, however, and a useful and much cheaper all-rounder is Buck's Fizz: champagne, orange juice as fresh as you can buy or make, and lots of crushed ice.

It is also handy for the casual caller who can liberally top up with orange juice if he or she needs a thirst quencher. Of course, a cheaper sparkling white wine can be substituted or that can be reserved for youngsters who might have their own gathering.

If the gin and tonic fraternity has to be looked after Beefeater gin have put out a handy ready mix containing 50 millilitres of gin which is slightly more than the normal pub double. It comes in a small bottle shaped like a glass with a ring and pull top.

What to drink with the main meal is dealt with elsewhere but don't let your Christmas generosity overlook the basic rules of serving white before red, dry before sweet, light before heavy and young before old.

By the time coffee is served, the relaxed atmosphere should allow more time to attend to individual tastes whether it is a fine old brandy, a malt whisky, or one of the many liqueurs available. If tastes run to liqueur chocolates, buy the best you can afford, so as not to end on an anti-climax—and don't place them near the younger members of the family.

Finally don't forget the cook and her helpers. A no more suitable extra present could be found than a bottle of Madeira. For those whose usual penchant is for a dry sherry, a taste of a chilled Sercial, particularly on a really cold morning, with its warming nutty flavour, will come as a revelation. And if some should accidentally find its way into the gravy, it will certainly enrich that! An added bonus is its superb keeping

Dunks and dips

BY PHILIPPA DAVENPORT

Recipes from Philippa Davenport's Cooking for Family and Friends (Robert Hale £8.50).

GRISSINI (breadsticks), crisps, small biscuits and fingers of warm pitta bread are all good for dunking into dips. So too are raw vegetables such as carrots, celery, cucumber, red and green peppers—all cut into sticks—whole button mushrooms and sprigs of cauliflower.

Arrange them attractively on large plates with a small bowl of dip in the centre of each.

Aubergine Dip

Cook a large aubergine under a very hot grill, turning it as necessary, until the skin is black and blistered all over and the flesh feels soft underneath.

When cool enough to handle strip away the skin, chop the flesh and squeeze it to extract most of the juices. Purée in a liquidiser with a tiny crushed garlic clove, a little salt, pepper, lemon juice and safflower or sunflower oil (a teaspoon of lemon juice and a tablespoon of oil are usually enough).

Check seasoning and consistency and stir in a little chopped fresh parsley just before serving.

Walnut and watercress dip

Finely chop 4 oz (110g) shelled walnuts or put them through the coarsest blade of a meat mincer. Mix with a small bunch of chopped watercress.

Gradually beat in enough soured cream to give good dipping consistency and season with salt and paprika.

Green avocado dip

Skin, stone and mash smoothly two ripe avocados. Add plenty of freshly snipped chives, some parsley, salt and pepper.

Beat in enough lemony mayonnaise to make a thick cream.

Cheese Crisps

A change from cheese straws and a useful recipe for using up leftover egg whites, these crunchy savoury mouthfuls are good to float in soups and to nibble with pre-dinner drinks.

Two egg whites
1 oz (20 g) Parmesan cheese
A little oil

Preheat the oven to 150°C (300°F), gas Mark 2, and lightly oil a baking sheet. Whisk the egg whites until they stand in glossy peaks. Finely grate and fold in the Parmesan cheese.

Drop tiny coffeespoon blobs of the mixture on to the prepared baking sheet and cook until dried out and crisp—about 35 to 40 minutes.

Stored in an airtight tin as soon as the crisps are cold, they will keep well for a couple of days. If stored for longer, reheat briefly before eating.

Anchovy Twists

A recipe for anchovy addicts. Like Parmesan straws they can be made ahead and reheated for serving.

One 1lb (225g) packet of puff pastry
Two to three 2oz (50g) cans of anchovy fillets
Beaten egg for glazing

Drain the anchovies and cut each fillet into two or three long narrow strips—depending on the size of the anchovies and on how piquant you want the biscuits to be.

Roll out the pastry a little less thinly than usual and cut into fingers slightly longer than the anchovy strips and about three times their width. Lay an anchovy strip on each piece of pastry. Fold and pinch the ends of the pastry over the anchovy, then twist with both hands so that the pastry spirals around and encloses the anchovy.

Space the twists out on a lightly-floured baking tray and refrigerate for 15 minutes before glazing carefully with beaten egg. Bake at the top of the oven at 200 deg C (400 deg F), gas Mark 6, for 12-15 minutes until puffed up and golden.

Dukka

I first ate dukka with friends in Cairo. They told me that every Egyptian family makes its own version, altering the proportions of ingredients to taste. I rate dukka as the best of all nibbles to serve with drinks.

¼ lb (100 g) whole hazelnuts or peanuts, shelled weight (salted or dry roasted nuts are not suitable)
2 oz (50 g) sesame seeds
1 oz (25 g) coriander seeds
2 tablespoons (30 ml) cumin seeds
Salt and freshly ground black pepper

Warm a frying pan over medium heat (without any fat). Add the nuts to the pan and cook, stirring and turning them until the skins begin to blacken and peel away. Empty the pan and reduce heat to low. Lightly toast the sesame seeds until pale golden, then warm the coriander and cumin seeds together until lightly crisped and exuding a delicious aroma.

Mix all four ingredients together with some coarse salt and a good grinding of black pepper. Crush them coarsely by passing them through the largest blade of a meat mincer. Don't attempt to use a liquidiser—it may be quicker, but it will reduce at least some of the ingredients to a fine powder.

Check seasoning and, if not for immediate use, store in an airtight jar. Dukka keeps for several weeks but is best when toasty and crisp. If it has been made some time ago, spread it on a baking tray and heat in a moderate oven for a few minutes before serving.

Serve dukka with warm French or pitta bread and a small bowl of good olive oil. To eat, break off a small piece of bread. Holding it by the crust, dip the crumb into the oil to moisten it well, then press it into the spiced nutty mixture.

Smoked Mussels with Bacon

One of the simplest and most delicious hot snacks to serve at a drinks party. Smoked oysters can be used in place of smoked mussels if you prefer—both can be bought from delicatessens and big supermarkets.

Three 3½ oz [100g] cans of smoked mussels 1-1½lb [500-700g] streaky bacon rashers.

Heat the oven to 180 deg C (350F) gas Mark 4. Drain oil from the mussels in the cans and use some of it to grease lightly a large baking tray. Remove the rind from the bacon, cut each rasher in half, flatten and stretch it with the back of a knife.

Roll each piece of bacon round one large or two small mussels. Place the rolls, seam side down, on the baking tray and cook for about 25 minutes until the bacon is slightly crisp and the mussels thoroughly heated through. Spear the rolls with cocktail sticks and pile them on to a hot dish for serving.

Angels on Horseback

Replace smoked mussels with fresh oysters, sprinkling them with a little lemon juice and dusting them with cayenne pepper. Sautéed chicken livers can also be used.

Devils on Horseback

Almond-stuffed prunes make a cheap and very good stuffing for bacon rolls. Plump the prunes in hot tea, drain, dry and stone them. Replace the stones with whole blanched almonds which have been fried until golden and rolled in salt and cayenne pepper.

Parmesan straws

These classic little biscuits are best served piping hot. They can be made well in advance and stored in an airtight tin or in the freezer. Reheat and crisp them in the oven shortly before serving.

6 oz [180g] plain flour
¼ lb [120g] butter
2 oz [60g] Gruyere cheese
2 oz [60g] Parmesan cheese
1 egg yolk
Salt and cayenne pepper

Sift the flour, a little salt and cayenne pepper into a mixing bowl. Using a palette knife, stir in the grated cheeses. Add the butter at room temperature: cut it up into tiny pieces with the palette knife then rub it in with your fingertips.

Make a well in the centre of the dry ingredients. Beat the egg yolk with a scant teaspoon of cold water. Pour it into the well. Using the palette knife, gradually draw the dry and liquid ingredients together to make a rich crumbly dough. Draw the dough into a ball with your hands and knead it very briefly and lightly to ensure that everything is well blended.

Wrap the pastry in clingfilm and chill for at least 30 minutes. This is very important with such a rich pastry.

Towards the end of the chilling time, preheat the oven to 200°C [400°F], gas Mark 6. Roll out the pastry to a rectangle ¼ in [6 mm] thick, and cut into narrow strips about 3 in [7 cm] long. Lay the cheese straws on a baking sheet and chill again for 10 minutes before baking. Bake on a shelf just above the centre of the oven for about 20 minutes, until the straws are golden and crisp.

Nutty Cheese Straws

If your budget won't run to using Gruyère and Parmesan, replace both cheeses with mature Cheddar cheese. The trick which makes these cheaper cheese biscuits successful is to replace half the white flour with wholewheat flour.

Norfolk can even provide the wine

BY LISA WOOD

A NORFOLK wine to accompany a Norfolk turkey is one of the more unusual promotions among sellers of wine and spirits this Christmas.

But while this English wine, called Magdalen, promoted by W. H. Cullen, the wine merchant, may tempt adventurous and individual palates the bulk of sales this Christmas will come from more conventional sources.

With more than 200 table wines on offer the British consumer has an enormous choice. For many however, who are not regular drinkers, Christmas sales reflect habits. For the mass of the British public that means a white wine, and preferably a sweet one.

John Lewis, for example, commenting on wine sales at its 74 Waitrose stores that have off-licence sales said: "There is an overall slow movement towards more sophisticated tastes, but Christmas is a time when non-regular buyers make purchases and they tend to favour safer, sweeter wines. For similar reasons strongly branded wines, which are heavily promoted, tend to do well."

Grants of St James's, the Allied Lyons wine and spirits division, endorsed the same message. It is looking for record sales, particularly among its stronger brands and "more popularly priced" wines.

For the recent budget, the excise tax reduction of about 18p a bottle has brought a significant number of wines to below the £2 price band. Sainsbury, for example, has some 50 wines below £2 in price, a development which it says gives consumers a tremendous scope for ringing the changes at a reasonable cost.

800 off-licences, is also making great play over its pricing of the popular West German liebfraumilch, at £1.49 a bottle. Liebfraumilch, produced in four regions of West Germany, has shown strong growth in the UK where it retails often at prices lower than table wines from other EEC countries.

Convenience is also an important consideration at Christmas as party drinks are crammed into the refrigerator or tucked into a carrier bag for transportation to a host's home.

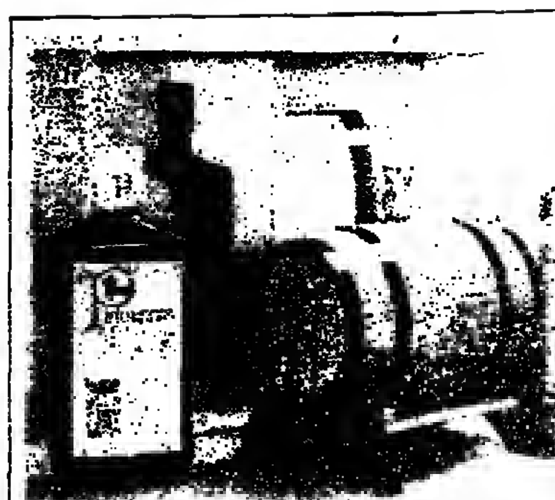
This brings an acceleration in sales of not just boxed wines but wine in a 25 cl can. Cans now account for 0.5 per cent of the light wine market but by 1988 are expected to have increased that share to between one and two per cent.

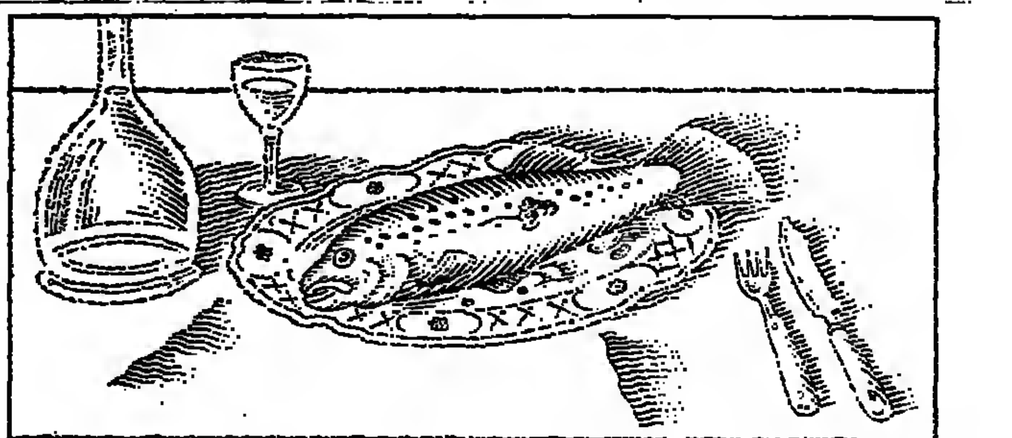
This year Victoria Wine is also introducing a range of "sub-norms," that is "own-label" products with a lower level of alcohol proof than branded products. Its whisky, for example, at 37.5 per cent Vol, compared with 40 per cent Vol for Scotch whisky, is identified as a major challenge to supermarkets' own label products.

These endeavours, alongside a range of special offers are what Mr Lister Fielding, Victoria Wines managing director call a major marketing effort by the company in its fight against the multiple grocers who now enjoy some 55 per cent of off-licence wines sales.

While branded wines and spirits, such as IDV's Piat d'Or and Johnny Walker whisky tend to do well at Christmas increased confidence is being expressed in the marketing of own label products.

"We are very confident of putting our own label products





BOOKS with Christmas in mind

That old magic

BY ANTHONY CURTIS

The Collected Edition of the Works of Somerset Maugham does not contain everything he published during his lifetime. Apart from his juvenilia, he left uncollected a series of wartime articles, introductory notes to catalogues of paintings, forewords to books written by friends, speeches he made on various public occasions. There are even one or two early plays and short stories which escaped appearance in hard covers. Many of these pieces of writing are in themselves of no great moment, but put together, in the orderly, chronological sequence in which they are assembled by John Whitehead in A Traveller in Romance: uncollected writings 1901-1964 of W. Somerset Maugham (Anthony Blond, £12.95, 273 pages) they form a most interesting volume.

I found it fascinating to read the old charmer pulling his mind to a variety of topics from Mme de Sevigné to bridge, from portrait-painters to Dorothy Parker. He wrote but a few reviews himself and here they are: his youthful notice of Gissing's By the Ionian Sea in 1901 (a work that influenced the manner of his own travel books) and his contribution as a grand old man to the Books of the Year in the Sunday Times of 1955 when his choice was Lucky Jim ("They are scum," he said of the students in Amis's novel). We have here the text of Maugham's one-acter Marriages Are Made In Heaven which was produced in German by Max Reinhardt in Berlin in 1902, as well as Maugham's afterthoughts about people he had known in the theatre, Hawtrey, Coward, Marie Tempest, Gladys Cooper.

Artists recollected include Kelly, inevitably, but also Titian, Watteau, Cézanne, Mario Lauroncin and Peter Arno. Here, too, are the anti-isolationist articles Maugham wrote in America during the second world war, full of insights into national characteristics; and his amusing Lady from Poonah speech at the Royal Academy's annual banquet in 1951.

"Rag-bag" was the title Maugham wished to give to a miscellaneous collection of his writings he was working on when he died. Now at last we have such a volume containing the seven ages of Maugham.

In Evelyn Waugh: The Critical Heritage, edited by Martin Stannard (Routledge, £18.95, 537 pages), we are by contrast, on the outside looking in through the eyes of a wide selection of Waugh's reviewers and critics. What an eminent batch they are, from J. C. Squire in 1928 on his Rossetti, to Arnold Bennett, Richard Aldington, Rebecca West, Rose Macaulay, Peter Fleming, James Agate, Edmund Wilson, Nigel Dennis. But be warned: the book is printed in "golf-ball" type, looking more like a typewritten than a printed page. Meanwhile the man himself may be sampled afresh at his most controversial in Waugh in Abyssinia (Methuen, £9.50, 253 pages), a reissue of the book that first appeared in 1936.

Someone who might in her youth have stepped out of a novel by Evelyn Waugh was the painter Nina Hamnett. She knew Aleister Crowley, Mark Gertler and Carrington before she went to Paris where she hobnobbed with Radiguet, Cocteau, Modigliani and many others. When I met her during World War Two in London she was, alas, a querulous, bibulous old woman with all the magic gone. It is good to find the magic held for ever in Laughing Torso, her memoirs of her madcap youth, reprinted by Virago in paperback (£4.95, 322 pages).

A woman writer who had a happier time in old age, Jean Rhys, is now a firm favourite among discerning readers of modern fiction. Her view of life between the wars, as well as her view of the West Indies, may be discovered from Jean Rhys: The Early Novels with an introduction by Diana Athill (André Deutsch, £8.95, 476 pages).

Anyone who finds the correspondence of authors more interesting than all but their very best books has had an exceptionally busy year. Best of all has been The Selected Letters of Anton Chekhov, edited and with an introduction by Lillian Hellman (Picador £7.95 and £3.50 paperback 331 pages). Chekhov was a wonderful letter-writer, combining the roles of critic, doctor and family man. And a second volume of letters by Robert Graves has appeared, Between Moon and Moon covering the years 1946-1972, edited by Paul O'Prey (Hutchinson £14.95 323 pages) in which he corresponds with T.S. Eliot, Alan Hodge, John Wain, Captain Sir Basil Liddell Hart and our own reviewer, Martin Seymour-Smith.

Victoria Glendinning's Vita last year focused attention on one of the most important passions in the life of her heroine, her friendship and affair with Virginia Woolf. Now one can follow the relationship day-by-day, if not hour-by-hour, in The Letters of Vita Sackville-West to Virginia Woolf edited by Louise De Salvo and Mitchell A. Leaska (Hutchinson £12.95, 474 pages). "I have run out of envelopes" says Vita at one point. No wonder; they wrote more than 500 letters to each other from which the editors have skilfully quarried what the blurb calls "a linking narrative."

The latest biography of *Virginia Woolf* is by *Lyndall* Gordon (Oxford £12.95, 341 pages). What, another one? Yes; this is a much more interpretative job than her nephew Quentin Bell's original account of the facts. It relates the imagery and progress of the work to the life, and, amazingly, says some new things. The author is also one of the contributors to the collection edited by Eric Warner Virginia Woolf: A Centenary Perspective (Macmillan £20, 169 pages) as are Iris Murdoch, John Bayley, Hermione Lee and Ian Gregor, proving that Woolf's appeal to academics is no less great these days than to the ordinary reader.

Tomorrow Virginia Woolf's husband Leonard was born, 104 years ago in London: and on the same day in 1970 the Japanese writer Yukio Mishima committed ritual suicide. I learnt that from A Book of Days for the Literary Year (Thames & Hudson, £6.00) a kind of illustrated diary, edited by Neal T. Jones, with similar entries for every single day: a book to give to an aspiring novelist or poet, perhaps. A safer bet might be to give her Bevis Hillier's John Betjeman: A Life in Pictures (John Murray, £10.95, 160 pages), a rich harvest of hitherto unpublished drawings and photographs by the late poet laureate.

Miss Joan Hunter Dunn—one of the illustrations in "John Betjeman: A Life in Pictures," reviewed today

When the Oxford Press are not bringing out new anthologies such as Jon Stallworthy's The Oxford Book of War Poetry (£9.50, 358 pages)—it starts with the Bible and ends with Peter Porter—they are replacing earlier ones: vide The New Oxford Book of Eighteenth Century Verse (£15.00, 670 pages) in which Roger Lonsdale goes over the ground trodden a generation or two ago by David Nichol Smith.

Mr Lonsdale has plucked many curious and rare specimens which the earlier anthologist left to wither and has done lovers of English poetry a notable service. A Dark Time (Faber & Faber, £8.95, 174 pages) edited by Nicholas Humphrey and Robert Jay Lifton, has a wider audience in view than the pure poetry-lover. It takes the words of poets and other writers at times when human society appears to be hell-bent on destroying itself.

In this fashion the anthology aims to disclose "the psychological and imaginative confusion which surrounds popular ideas of war, of valour, of victory over enemies and death . . . It is a book designed, quite deliberately, as an emetic against war." Let us hope that it works.

Young Roald rides again

BY JACQUELINE SHOREY

Among a bewitching throng of children's books in the shops this Christmas wooing the present-buyer what is perhaps unique is Roald Dahl's offering Boy (Jonathan Cape, £6.50); it is autobiography, the favourite read of many adults, but in this case (intended) for children. It is not strictly speaking "an autobiography," for that would contain (as Dahl points out) "all sorts of boring details" about a person's life. Instead we are treated to a string of memorable anecdotes, such as an account of The Great Mouse Plot of 1924, which is described with characteristic humour; and of young Dahl's job, and surely every schoolboy's dream, as a chocolate-taster for Cadbury. He remembers, too, the time his nose was sliced almost clean off in a motor-car accident. His schooldays were not without unhappiness, and he questions the corporal punishment so vigorously administered by, among others, a future Archbishop of Canterbury. Boy provides a fascinating glimpse of a great storyteller's own childhood and should delight Dahl's fans.

In tandem with it is a re-issue of Dirty Beasts (£4.95), a book of ghastly rhymes, newly illustrated by Quentin Blake, which deserve to be read aloud.

Two books which are just as likely to appeal to adults as to children are Bodley Head's principle title for Christmas: Nutcracker (£12.50 until end January 1985, £14.95 thereafter) and The Foundling (Canongate, £5.95) by Hector Malot. Nutcracker is from the story by E.T.A. Hoffman, skilfully translated by Ralph Manheim; the main attraction is Maurice Sendak's captivating illustrations based on the production which he designed for the Pacific Northwest Ballet. It is an enchanting book, that no doubt will become a treasured part of many family libraries.

The Foundling, translated from the French by Douglas Munro, is the compelling story of Remi, a child abandoned at birth. He travels across Europe, buffeted by misfortunes and sustained by friendships, until eventually he finds his real family and home.

A sensitive reader should appreciate the developing relationship between a foster mother and her daughter unfolded in Sunday's Child (Andersen Press, £4.95) by Gudrun Mebs, winner of the 1984 German Children's Book Prize. Also for the older child, The Ghost Within (Methuen, £5.95) by Alison Prince is an excellent collection of imaginative, haunting stories.

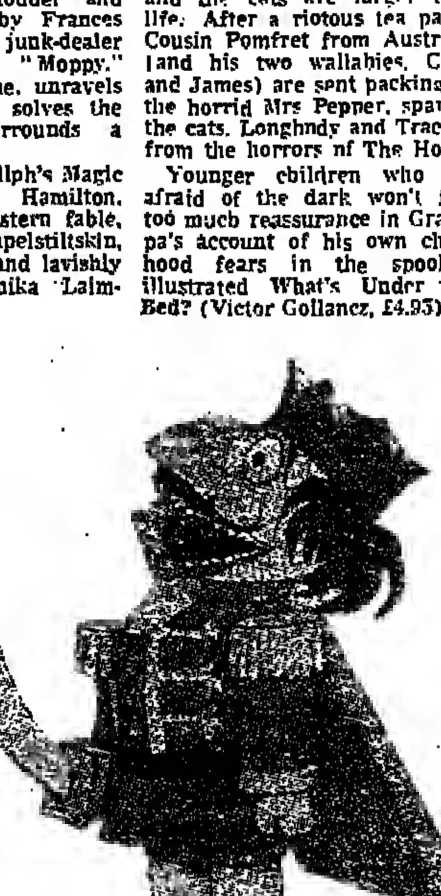
There is no shortage of adventure stories for young readers. Darcy and his Snake (Blondchild, £6.25) by Terence Dudley is the hilarious story of the son of a West African politician who smuggles his pet snake (and its "dinner") into this country, and into some nerve-racking scrapes.

We meet another young boy from overseas, this time caught up in a more serious adventure in Ling and the Little Devils (Pelham, £4.95) by Svend Otto S. With the help of his friends and some fireworks, Ling manages to divert enemy troops from his village during the Chinese Revolution.

But don't girls have adventures too? In Flossie Teacake Strikes Back! (Bodley Head, £4.95), the likeable Flossie, aged ten, is transformed with the help of her older sister Bella's magic fur coat into a dynamic dance-teacher, an inventive shop-assistant and an informed fortune-teller; and with each new appearance comes the brilliant knack of getting her own way. This is the third Flossie book from Hunter Davies and Flossie should remain a thoroughly modern favourite.

From magic fur-coats to magic mops. Bits and Pieces and the Smugglers (Hodder and Stoughton, £4.50) by Frances Lindsay follows a junk-dealer who, helped by "Moppy," travels back in time, unravels a coded diary and solves the mystery that surrounds a smuggler's cottage.

I enjoyed The Caliph's Magic Powder (Hamish Hamilton, £5.25), an exotic eastern fable, reminiscent of Rumpelstiltskin, by Wilhelm Hauff and lavishly illustrated by Monika Laimbruger.



One of Maurice Sendak's drawings for "Nutcracker," a translation by Ralph Manheim of the tale on which the Tchaikovsky ballet was based. The book contains one hundred colour illustrations. The operatic double bill in which Sendak combines with the composer Oliver Knussen "Higglety Pigglety Pop!" and "Where the Wild Things Are" is currently being presented by Glyndebourne Touring Opera

On with the sorcery for the first of some books which younger children should enjoy having read to them. The Magic Rose Bough (Hodder and Stoughton, £5.50) by Joyce and James Dunbar is a pacey, colourful and moral tale about two couples, living on either side of a wall (and on opposite pages of the book). They are proud gardeners until, one day an unearthed rose bough (really a sorcerer's stick) brings riches to one couple and jealousy to their neighbours. Greed, appropriately, breaks the spell, and I particularly liked the parallel story of the nouveau-riche rats, and the hint of further adventures to come.

Stanley and the Steam (Bell and Hyman, £4.95) by Christel Rosenfeld and J. J. Strong is a delightful book in two ways. Not only are the pictures wonderfully surreal, the story of a kettle full of water's metamorphosis into steam, hail, fog, etc is a painless introduction to elementary science.

Still on the subject of water, Shirley Hughes' An Evening at Alfie's (Bodley Head, £4.95) begins with his baby-sitter reading the story of Noah. Later, as he lies in bed, Alfie hears dripping water. A dream perhaps? But no, these puddles are real and we watch Alfie and Maureen, the enterprising baby-sitter, tackle the flood.

Aunt Nina's Visit (Bodley Head, £4.95) by Franz Brandenberg completes this watery trilogy. (Who says it's boring when it rains?) Aunt Nina's arrival during a downpour with a basketful of kittens will make this book a winner with any young cat-lover this Christmas.

As will be Pepper and Jam (Jonathan Cape, £5.95). It's a and this perspective is reflected in the marvellous illustrations by Reginald Pepper, where the humans are ungainly creatures and the cats are larger than life. After a riotous tea party, Cousin Pomfret from Australia (and his two wallabies, Clive and James) are sent packing by the horrid Mrs Pepper, sparing the cats, Longbody and Tractor, from the horrors of The Home.

Younger children who are afraid of the dark won't find too much reassurance in Grandpa's account of his own childhood fears in the spookily illustrated What's Under My Bed? (Victor Gollancz, £4.95) by James Stevenson.

John Burningham's Granpa (Jonathan Cape, £4.95) is not spooky, but it is no more reassuring. A little girl, who is often quite heastly to her granpa, is left facing his symbolically empty armchair on the last page.

On a lighter note, the ladies in Colin Hawkins's The Granny Book (Granada, £3.95) are alive and well, and quite revolting in a loveable sort of way, smelling of moth balls but always armed with bags of "goodies."

Another pleasantly gruesome book is Monsters (Granada, £2.95) by Allan Ahlberg and Colin McNaughton, with pictures which pull out to reveal all kinds of smiling nasties.

For the very young there is more than a giant's handful of picture books to choose from. Here are just a few.

Old favourites, the Rev W. Awdry's Engines appear in a seasonal tale: Thomas's Christmas Party (Kaye and Ward, £3.95).

Rub a Dub Dub (Granada £4.95) by Alan Rogers, and Hickory Dickery Duck (Methuen, £4.95) by Pat Patterson and Joe Weissman, are two bright editions of nursery rhymes; the latter also includes puzzles.

Look, There's my Hat! (Bodley Head, £4.50) by Maureen Roffey, has some clever cut-through illustrations.

A boy who hates baths is pursued in You Can't Catch Me (Bodley Head, £4.95) by John Prater.

"Bunnykins" (popular on nursery pottery for 50 years) now features in two story books by Warrener published by Viking Kestrel: A Picnic for Bunnykins and Two Bunnykins out to Tea (£2.95 each).

Finally, What's so Special About Today? (Hodder and Stoughton, £4.95) by Andrzej Krauze, is a charming book, perfect for the very young with a birthday around Christmas.

Next week: My Book of the Year critics' choice

Local voices

BY DAVID SEXTON

Selected Poems
by Tony Harrison. Viking £9.95, King Penguin £3.50. 204 pages

Fast Forward
by Peter Porter. Oxford University Press. £4.50, 62 pages

Mister Punch
by David Harsent. Oxford University Press, £4.50, 70 pages

Dark Glasses
by Blake Morrison. Chatto and Windus, £3.95, 71 pages

Dangerous Play Poems 1974-1984
by Andrew Motion. Salamander Press Edinburgh, £8.95, 110 pages

Tony Harrison has been hailed by a specimen-hunter as "the first genuine working-class poet England has produced this century." His *Selected Poems* establishes that the important thing is simply that he is a genuinely talented poet—an original. His voice throughout this collection is quite distinctive—a heavily stressed iambic metre, with emphatic monosyllables and rhymes, varied by bursts of colloquial or unexpectedly recondite vocabulary. He also stands out by virtue of working in regular forms—such as a 16-line sonnet. His subjects are predominantly his own North Country family background, and his subsequent travels away from it, both geographically (poems here on Beverly Hills and Prague, as well as Durham and Newcastle), and linguistically, in an estranged speech.

His puns and rhymes lapse sometimes into whimsy and doggerel, but his rumbustious energy makes this book very winning (and in paperback a bargain).

Peter Porter published his *Collected Poems* in 1982, and *Fast Forward* replays the themes noticeable there—churches, cats, Italy, the classics, combined with gloomy meditation on mortality. Porter is a thoughtful, always interesting writer, but his poetry seems at times too intent on aphorism, too deliberately avoiding cliché, for it to move with any ease. In some ways it is reminiscent of the later Auden—a little diffuse, not always concentrated into art. However, these poems are consistently honest and likeable, and will not disappoint his previous readers.

David Harsent's *Mister Punch* takes its cue from Ted Hughes's *Crow*, staging a loose sequence of poems around a central figure of cartoon proportions—Punch of Punch and Judy. This gives him a platform for scenes from the battle between the sexes (evidently raging). Harsent's gift for lyrical observation sorts oddly with with his lurid subject-matter; the sum of this volume is little more than its parts, and some of those parts feel like rehearsals rather than performances.

Blake Morrison presents a diverse first collection. *Dark Glasses* is plainly the product of a sharp literary intelligence. Curiously it doesn't seem to be a primarily poetic intelligence. Morrison's poems ride the literary waves of the day with control and panache, but that very skill seems his most individual characteristic, so far. At the moment his work still has obtrusive echoes of his elders (such as Larkin, in some ambitious last lines) and contemporaries (such as Craig Raine, in ubiquitous similes).

One of Morrison's influences is evidently Andrew Motion, his co-editor in *The Penguin Book of Contemporary British Poetry*, indeed his editor at Chatto, and at 32 the youngest poet here. Motion's work is quiet, unforced and memorable, and shows direct benefits from the study of Edward Thomas he has published. It deals in the pathos of separation, of missed encounters—often there is a whole narrative implied within a short poem. The arrangement of this collection, which incorporates parts of three previous volumes, is a triumph, each section enhancing our understanding of what has gone before, demonstrating the internal coherence of his writing. In particular, "Skating," a simply done and moving memoir of his mother's death, reveals the heart of his emotional preoccupations.

Paradoxically the poems directly on this subject are his least successful, and serve to set off the accomplishment of those—such as 'Independence,' a long narrative set in the India of the Partition—that transmute it most. They work, as he says, in "Open Secrets," through "fictions which say what we cannot admit to ourselves." Motion's style is less immediately clever and contemporary than Morrison's, and does rely a little upon a kind of sepia wistfulness, but *Dangerous Play* amounts to a most impressive (and, incidentally, finely produced) whole. The real thing—well worth investigation.

David's anger

BY NICHOLAS BEST

God Knows
by Joseph Heller. Jonathan Cape, £9.95, 353 pages

Beneath the Lightning and the Moon
by Fred Uhlman. Duckworth, £7.95, 107 pages

"I'll let you in on a secret about my son Solomon: he was dead serious when he proposed cutting the baby in half, that putz. I swear to God. The dumb son of a bitch was trying to be fair, not shrewd."

And Moses?

"It fell upon Moses, poor soul, to lead us out. He never asked for the job and he got no pleasure from it.

'Take off your shoes,' was the first he heard of it from the burning bush. 'You're standing on holy ground.'"

From the man who gave us *Catch-22* a wonderfully funny new novel, *God Knows*, being the acerbic, querelous, thoroughly disenchanted memoirs of an elderly King David, and no ordinary David either, but a wise-cracking, street smart, Yiddisher version, more at home in Brooklyn than Bethlehem. A sour David, angry with Michelangelo for sculpting such a dreadful statue, angrier still with Solomon for passing off his father's famous song as his own work; yet thanking God—before they quarrelled—that he is blessed with a good solid English name rather than one of those unpronounceable Biblical ones.

It was not always thus for David. There were good times when he was a young man, never more so than when smiting the Philistines ("Oh, boy, was that an angry giant!") or beating off a crowd of indignant women who have just identified one of 200 Philistine foreskins he is collecting for a dowry.

But the rot sets in with the object of that dowry, Princess Michal, a frigid, houseproud virgin who makes it clear on their wedding night just how things are going to be. "Michal, my bride, was not just the daughter of a king but a bona-fide Jewish-American Princess! I had married a JAP! I am the first in the Old Testament to be stuck with one."

From there to his eighth wife Bathsheba, stolen from Uriah the Hittite, a scheming hussy who slips it up among the others when she demands an alabaster bath, a west-facing apartment and the crown for her son Solomon, is a less progression of women ("A barem in a warm climate is not an easy thing to keep in mint condition") to Abishag the Shunammite. David's last fling, a nubile virgin whose energetic ministrations can apparently do nothing for him. There is a great deal of sex in this novel, most of it lifted straight from the Bible.

A great deal of humour too, Jewish humour, questions answered with questions—brilliantly done for the most part, with occasional lapses into bathos. Some of the jokes are overworked, some go on too long. The book as a whole has only one note to it, with little variation in pitch and a total absence of narrative thrust. But it is enormously entertaining nevertheless, the ultimate Jewish joke, certainly the funniest book of the year.

A Jewish hero too, of a sort, in Fred Uhlman's novel. Francis van Thal is a distinguished antiquarian, famous enough to have featured on *Desert Island Discs* an irony not lost on him when his passenger plane comes down in the sea somewhere between Hawaii and San Francisco. This is a slight book, written with great economy, but a long way sub-Golding.

Film buffs beware

BY NIGEL ANDREWS

The Story of the Cinema: Volume 2
by David Shipman. Hodder and Stoughton, £17.95, 700 pages

Dietrich
by Alexander Walker. Thames and Hudson. £12.95, 203 pages

Knock Wood
by Candice Bergen. Hamish Hamilton, £9.95, 225 pages

People who write encyclopaedias can be as great a public nuisance as people who sell them. Wedging a foot firmly in one's brain, they hector one with too much information too glibly, prolixly and unanalytically delivered. Volume 2 of David Shipman's *The Story of Cinema*, encyclopaedic if not an encyclopaedia, is an example. One bows to the time and effort involved in penning 700 pages about almost every film you can think of between *Citizen Kane* and *Danton* (Volume I, published in 1972, dealt with almost every film before *Citizen Kane*.) But I would be suspicious of the reader who bowed unreservedly to Shipman's odd blend of the eccentric and simplistic in his opinions, which are baldly set down, scantly argued, and tritely linked together.

The book consists of a series of film-by-film mini-reviews which contain virtually no overall discussion of the artistic, industrial or social contexts in which these works were born.

Meanwhile Shipman takes his no-nonsense sword of criticism and lops the top off Fellini's *Roma* ("cinematic masturbation"), Tarkovsky's *Andrei Rublev* ("barren of true content") and the works of Powell and Pressburger ("most of their films are terrible"), while having a fair old time with some noted Hollywood classics as well. (*The Wild Bunch*, "a boring film"; *Vertigo*, "128 minutes of James Stewart and Kim Novak mooning around San Francisco.")

I am all for iconoclastic opinions, but to impress they do at least have to be *argued*. Here they are plopped down in relentless succession with neither a by-your-leave nor a Q.E.D.

Samples of the kind of cinematic razzle-dazzle that Shipman most warms to are to be found photo-spread through Alexander Walker's *Dietrich*. A coffee-table book this, but with no decaffeinated critical populism, thank you. I differ with almost as many of Walker's opinions as I do of Shipman's, but at least Walker is an imaginative writer and a fervent, lucid arguer.

This is an admirable sashay through the career of the great Marlene, from her not-so-humble beginnings as a Prussian Major's daughter to early work as a stage actress and bit-part player in films to the eclat of *The Blue Angel*, and succeeding Sternberg movies to the late-flowering career as a singing star of stage and concert. The pictures are a knockout—the hollow-cheeked goddess in elongated gowns lit by divine fire and Hollywood's top cameramen—and the Walker prose is a worthy match.

Candice Bergen is a beautiful woman and underrated actress who has now picked up a pen and written her autobiography. *Knock Wood* is funny, flighty and has the air (though goodness knows if the reality) of being unghosted. What was it like to be the daughter of a famous ventriloquist (Edgar Bergen) whose 3ft dummies went everywhere the family went (see illustration seven)? What was it like to spend the early 1970s picking up all the parts Julie Christie didn't want? What is it like to be a talented photographer as well as a famous film star? What is it like to be married to Louis Malle? Answers to all these questions, and many more, here.

HOW TO SPEND IT

by Lucia van der Post

Putting on the top coat

THE WINTER coat is many people's most important fashion buy. This year autumn has been mild but normally coats are donned almost every day for aboot six months, so getting it rigbt really matters. Each year the look evolves (manipulated, say the cynical, by the designers and the manufacturers wbo wish to persuade us that we cannot wear last year's model a minnte longer), being sometimes snbtly, sometimes radically different from the year before.

This year's look, you will be happy to hear, is less a dramatic change, more a gentle development on previous themes. Manufacturers are producing smarter versions of those 1950s men's overcoats that teenagers used to search out in local street markets and secood-hand clothes shops. The mannish look is still very much around. Bnt whatever the style and mood, whether it's a treoch-style or more like an oversized, elongated blazer, or even a cloak with batwing sleeves, it must be roomy.

Above all, do not choose ooe that is too short — keep the length to *mid-calf* if you are feeliog conservative, but if you want something more op-to-the-minute then choose one that comes tn just above the ankle.

Typical of this wioter's look are the two coats photographed here. On the left is Stephen Mark's version of the mannish tweed — big aod loose-fitting it is made from pure wool in grey, black, beige or brown tweed and is available at most *shops* stockiog Stephen Marks clothes (including Harvey Nichols in Loodon, Hoopers in Torquay) at about £180.

On the right is another roomy, capacious coat, again made from pure wool, bot the cuffs and edges are trimmed io a contrasting colour. Made hy Mansfield it comes io truffle trimmed with black, claret trimmed with black, blood trimmed with navy or black trimmed *with truffle*. In sizes 8 to 14 it sells at about £164 from Mansfield shops within leading stores.

A la card

IF YOU'VE despaired of finding Christmas cards that are appealing, original *and* on a Christmassy theme, seek out the cards produced by Andrew Jones Art. Regular readers may remember that a few years ago he produced "A Deck of Cards" which featured works by good living artists all of wbicb had been specifically designed to fit on the back of an ordioary playing card.

Robin by Peter Blake

This time round Andrew Jones has had the good idea of commissiooing a series of original works of art all on a Christmas theme. The original idea was that these works would then be reproduced on Christmas cards, so that the work became accessible to many more people.

He approached artists of the calibre of Howard Hodgkin (on the short list for the recent Turner prize), Henry Moore, Peter Blake and Carel Weight, and most of them welcomed the idea with enthusiasm.

The cards have a wide variety of styles, ranging from the abstract richness of Hodgkin, to the ethereal figure of Henry Moore aod the abstract shapes of Peter Logan. They don't go into the shops until the end of next week but when they do they will sell at slightly varying prices—they will be roughly 50p each when sold siogly aod about £2 for a pack of 5. All royalties on the cards will go to the NSPCC charity.

Find them at the Royal Academy Bookshop, Burlington House, Piccadilly, London W1; The Bluecoat Gallery, School Laue, Liverpool; the Ikon Gallery, 58-72 John Bright Street, Birmingham; The Scottish Gallery, 94 George Street, Edinburgh; the Fitzwillam Museum, Trumpington Street and Primavera, 10 King's Parade, both in Cambridge; The Museum of Modern Art, Pembroke Street, Oxford; the Arnolfini Gallery, Narrow Quay, Bristol; and The Paper Shop, 778 Fulham Road, London SW6.

If you are interested in the paintings they are on show (and on sale) at the Odette Gilbert Gallery, 5 Cork Street, London W1 at prices ranging from a few hundreds to a few thousands.

It all seems a bright and enterprising idea and one that Andrew Jones hopes might encourage people to commission contemporary artists. He suggests captains of industry and company chairmeo think about commissioning a Christmas picture and then use it as the basis of their corporate Christmas cards—in other words, bring some seasonal cheer to your local artist and get yourself an original card at the same time.

Gold, Frankincense and Myrrh by George Hooper

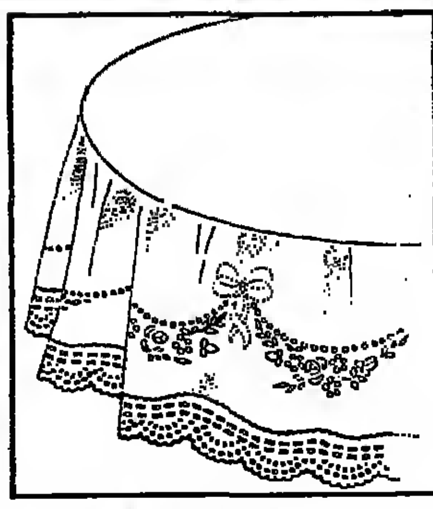
Female forms

THE striking visual pun shown here is taken from a fascinating photographic study called *Working Women* by Jessica Strang. Feminists may fiod it strange that it is a woman who has chosen to collect, in such stunning profusion, some 200 designs, all of which are inspired by the female form. Whatever stance you take, the book is £4.95 worth of delight.

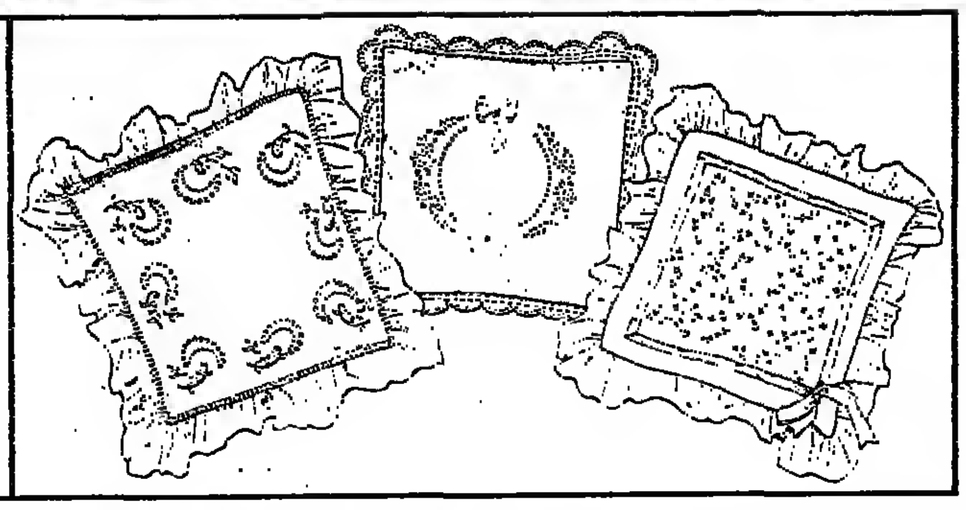
The tone that comes across to me is amused, surprised, ironic and curious—nothing about it seems angry or resentful. The array of objects is astonishing, ranging from doorknockers to toastracks, from corkscrews to full-blown chairs and tables. As Lorraine Johnson writes in the introduction—"No part of her is sacred—her skirts keep teapots warm, dust furniture, dispense perfume and even light up; her lips become a sofa; her legs kick smoke, open letters, hold toast, file fingernails; her hands hold flowers, scratch backs and clutch golden chains."

Shown above is a witty contemporary toastrack — in white with red-painted toe-nails, it is made by Carltonware.

The book is published by Thames and Hudson and would make a marvellous stocking present.



Round hand-embroidered cotton cambric tablecloth at £29.95



Clare Brooks

Sketched above, from left to right, are a cotton voile cushion cover at £9.95, a cotton cambric version at £13.95 and finally another cotton voile one at £12.95

Cotton cover-up

WHEN IT comes to linen, whether for the bed, the table or the bathroom, there is nothing like white for real old-fashioned pleasure. All those sharply-patterned sheets and colour co-ordinated sets that seemed so enchanting a few years ago now have a very down-at-heel look. The nicest linen departments are awash with crisp and frothy white.

In time to make charming Christmas presents is this small collection of pure white cushion covers and tablecloths from India. All are hand embroidered and come in pure cotton—either cotton cambric or cotton voile. They look delicious but come with one small *drawback — everything should* be hand-washed in warm water with a mild detergent. In my experience they also need careful ironing and benefit from starching.

Each cushion is slightly different, that being both the penalty and the charm of the individual and the hand-made, but all the covers are made to fit a standard size 38 cm square cushion pad (though these you will have to buy elsewhere separately).

The cotton cambric covers cost either £13.95 or £10.95 depending upon the elaboration of the embroidery—state whether you want more or less of it). They can be bought as a pair for £24.95. In cotton voile (which looks much frothier and lighter) they are £9.95 or £12.95 (again depending upon how elaborately it is embellished) or £22.95 for the pair. The round cotton cambric embroidered tablecloth (109 cms in diameter) is £29.95. All prices include postage and packing and all can be ordered directly from Damask, 1b Delorme Street, London W6.

Party decorations

LOOK OUT for a new collection of jewellery and accessories created by a collaboration between Yves Saint Laurent and Cartier, but entitled the Yves Saint Laurent Collection. It features brooches, bracelets, necklaces and earrings all in a multitude of different materials. There is the Gilt Collection, the Ebony and Gilt Collection and the Diamante and Paste Collection—presumably designed to cater for all the current fashion fads.

Certainly the jewellery that I have seen is designed for maximum impact—no discreet little chains and almost insignificant diamonds. This is costume jewellery with panache and flair and you should wear it boldly.

Photographed here are Athena earrings, featuring blue, green, red or diamante stones for £40. The necklace, rejoicing in the name of Anemophis, comes either in gilt with blue stone, or a nickel finish with diamante and costs £120 while the matching bracelet, again in gilt and blue stone or nickel finish with diamante, is £71.

The prices may seem high for what are, after all, non-precious materials, but they are not out of line with other high-class costume jewellery and some of the collection does start as low as £15, though at the top end you might have to pay up to £400.

Dickins and Jones, Selfridges, Harvey Nichols, Harrods, Fenwick and Debenhams in London have all taken the collection. Out-of-London stockists include Allders of Croydon and Esselmont and McIntosh of Aberdeen.

ARTS

Voices from the grave

While the philosophy goes captivatingly on, I thought I might try for some better luck with the funnies this week, and was well rewarded with *The Nitshill Writing Circle*. Aficionados would have been immediately drawn to the name of F. S. McDade, even before that of John Byrne, who created him. This "distinguished poet painter, novelist and sage," whom Mr Byrne has flourished before us on the stage, had a 20-minute slot in Radio 3 on Thursday. Mr Byrne at his best is one of the funniest contemporary writers I know, and in this tribute to McDade (whom, I suspect, he thinks of as himself, or part of himself, seen in a distorting glass) he was indeed at his best. McDade doesn't come through it very well: mostly we are concerned with the embarrassment of presenter Tommy Towers in a BBC studio. (A BBC Scotland studio—this was part of the Scottish season.) The unrehearsed chat with the studio crew and such other outside subscribers as Pierrotti's fish and chicken bar was hilarious, and played to perfection by Bill Paterson.

RADIO

B. A. YOUNG

The philosophy was on Radio 4, so it was perhaps no surprise that Radio 3 should be having a comic season. On Friday came Part One of *Broomhouse Reach* by Colin McLaren. The Radio Times calls it a suite in six movements, for this is a comedy about an imaginary composer, Martin Mendl, born in a train in Germany but kept on board long enough to claim English nationality. Mendl is *dead*, but manages to speak a commentary from the grave as a fairly inexpert musicologist investigates his life and works.

Liripet, Mendl's biographer, had another streak of good luck when he encountered the composer's illegitimate daughter, who had a cache of unpublished works on the proper handling of which depends his chance of a fellowship. In the first movement we have progressed no further than the statement of the principal themes, but there is incidental music that is for once genuinely "specially composed," by Paul Patterson. Mendl seems to have been a contemporary of Gustav Holst, but it is too early yet to say how the two composers' music compares. Mendl is played by David de Keyser and Liripet by Timothy Davies. Piers Plowright is the director.

Staying with the drama, Wednesday afternoon gave us *Echoes from the Abbey*, extracted by Sheila Hodgson from a story by M. R. James, on Radio 4. She lands herself in a difficulty by presenting James as a living and participating character; I've no idea what James was like, but he does tend to draw himself in his stories as something of a superior person, and in this one David March can hardly avoid being what the MP for Bolsover calls a pompous sod. Not without cause, all the same, for Arthur Layton, the protagonist, was really a most frightful ass, and Arnold Diamond rightly plays him as one.

On the first night of his visit to Layton's decaying prep-school, James sees lights and hears voices in the ruined Abbey, but Layton writes them off. A little boy called Harley (Timothy Stark) plays the r (Timothy Stark) says that a monk in black came into his room, and the maid finds a 16th-century crucifix under his mattress. Reluctantly, Layton joins a mass visit to the ruins, where 16th-century voices speak of a plot to burn the buildings rather than hand them over at the Dissolution of the Ministries. To make a short story shorter, the school premises are then mysteriously burnt down, and in due course Layton, whom the insurance company believes to have done it himself, hangs himself in the Abbey. Good old-fashioned supernatural melodrama in its way, I suppose, decently done under David Johnston.

Magnificat, on Radio 3 the same evening, was described as "a dramatised impression of the thought and writing of James Kennaway, drawn from his novels, notebooks and letters." I have never been a Kennaway fan, and now I understand why. He was a writer not because he became aware of a natural talent, but because he was determined to be one, from a quite early age. "All day and half the night, I think of nothing but writing," he said. What was more, he was determined to "blaze out" in whatever profession he undertook, and as writing was all he did besides soldiering, he had to blaze in that. I don't know how much this personality construction corresponds with the real Kennaway, but I hope very little. He sound self-centred and arrogant, and certainly I never heard anyone say this of him in his lifetime. If this programme is what we are to remember him by, let us change the title of *Nunc Dimittis*.

A playgoer's pleasures of Paris

BY MICHAEL COVENEY

The Comédie Française is trying hard to wake up under a new artistic director. Edwige Feuillère has said that her current appearance as the Duchess in Anouilh's plangent roseate pre-War *Léocadia* at the Comédie des Champs-Elysées will be her last. The city's oldest theatre, the magnificent Palais-Royal, is celebrating its bicentenary with a revival of one of the brilliant farces Feydeau wrote for that very stage, *Le Dindon*.

Nothing too much changes in the Paris theatre. Peter Brook is preparing an intimidating epic for his Bouffes du Nord early next year. The topless dancing girls at the Lido still wear great long Christine Keeler hair pieces which they swish around to the obvious delight of table-fulls of Japanese tourists; and the Lido's resident slight-of-hand artist is still the best in the business. Nobody could recommend a visit to any new play, although there were muted suggestions that one might risk yet another new piece about Sylvia Plath performed by Delphine Seyrig and her (Seyrig's) daughter.

Philipe Crubezy and Yves Delabesse in Marivaux's "Le jeu de amour et du hasard"

The centre piece of the city's theatre is obviously Strehler's production of Corneille's *L'illusion* at the Odeon, reviewed earlier this week. The Théâtre de l'Europe is a government-funded project spread over three years, in which Strehler hopes to create a truly European community of theatre such as the late Peter Daubeny would have approved. Last season he offered a spectacular *Tempest*. This season's Corneille revelation, one of the greatest production I have seen, will be followed in the New Year by Strindberg's *Temporale*, from Strehler's Piccolo Theatre in Milan; a joint production with our own Almeida Theatre in Islington of Dostoyevsky's *The Possessed*, directed by Lyubimov; and Ingmar Bergman's version of *King Lear* from Stockholm.

This is all arranged, from the Paris end, on a government grant of FFr 12m (about £1.05m) a year. There is a small but well-organised staff working in tandem with the resident Odeon staff, and an excellent quarterly publication which documents and comments upon theatre throughout Europe. Of course, there are local rumbles about Strehler being pampered by French money. The best answer to that is Strehler's own work. I doubt if there is a production in Europe to rival *L'illusion*.

The Comédie Française, which receives an annual grant of FFr 98m (about £8.7m, far more than our National Theatre receives with less to show for it) has long-term plans for a second large auditorium but, meanwhile, has to compete with Strehler at the Odeon. The new director, Jean-Pierre Vincent, has a three-year contract extending to July 1986. He is highly regarded in Paris, but I cannot believe that his new production of *Le Misanthrope* is his best work. It is a stilted, almost lifeless presentation, with hackneyed comic business, a paltry and unimaginative design by Jean-Paul Chambas and uninspired acting.

Sitting in one of those marvellously comfortable *fouteuils* at a *Misanthrope* matinée is one of the most seductive inducements to sleep I can imagine. The speaking was solid and audible in the perfect dry acoustic, but where was Molière's comic rage, his vicious glee? Michel Aumont plays Alceste, Ludmila Mikael (who spent a brief spell with the RSC) Célimène. I heard many good reports of *Ivanov*, also in the repertoire, and there is to be a new *Bérénice* in December, directed by Klaus Michael Gröber, the first German to be invited to direct at the Comédie Française.

Persisting with the classics, I took a trip out to the suburb of Saint-Denis (like going to Greenwich from Marble Arch) where, at the Théâtre Gerard Philipe, one of the two dozen generously funded "national centres" in France, there is a bizarre but never dull production of Marivaux's *Le jeu de l'amour et du hasard* (slated for revival by the National Theatre). *The Game of Love and Chance* is a sinewy, worldly-wise comedy in which two aristocratic lovers, disguised, unbeknown to each other, as servants, play out an amorous charade while their respective real servants, pretending to be aristocrats, make a less complicated business of falling for each other.

There is an insurmountable element of the *uber mensch* mentality here, however much you care to go on about *marivaudage*. Director Robert Gironès elaborates this quality by giving the piece Sadean overtones, with the heroine Sylvia (Anne Torrès) frantically and resentfully wielding her apron of disguise like a sexual threat, and violently kicking Dorente (Philippe Crubezy) in the groin. Her father, Oregon, totters around on red high heels. And she is more than affectionately attached to her brother Mario.

This sort of lively outrageousness would be totally passé if you did not feel that, all the time, the show was trying seriously to engage with, and respond to, Marivaux. And I did feel that. The auction opens and closes with a spectacular rain fall. The social emphasis of the exchanges is inverted by setting the play on a stage-left raised platform for the amorous histrionics, and in a hay field stage right. A flock of sheep are nuzzled and supervised by a busy dog, and a shepherd disinterestedly surveys the scene from the security of an upstage loft.

Meanwhile, back at base, Edwige Feuillère is packing them in for some silly, tender Anouilh, revived by Pierre Boutron with the original, charming music of Francis Poulenc. The Duchess is fretting over a melancholic nephew who fell in love with a singer, Léocadia Gardi, only to lose her in an accident similar to that suffered by Isadora Duncan. The nephew is beguiled to a moonlit park with an attractive substitute (Sabine Haudepin) and a hired band. Similar themes of marginal manipulation, illusion and reality, melancholy and regret, are being treated rather more imaginatively across town at the Odeon, but Feuillère does transmit a secure and resonant power and the speech in which she urges the young girl to go on as herself and no longer as Léocadia has a wonderful emotional force. Behind the skittish authoritarianism, Feuillère hints at a lost life and love of her own. Every flicker carries to the rafters of the Comédie (a house particularly associated with Anouilh). I know, because I could only squeeze into a *strapontin* in the balcony.

It was *strapontin* time, too, at the Palais-Royal, a theatre interior I would gladly view while hanging from a chandelier, let alone parked on a pop up bracket seat. *Le Dindon* is given an effervescent production by Jean Meyer, even though last Saturday night's show was in part vitiated by a missed entrance (in Feydeau!) and a resultant outbreak of "corpsing."

But the evening was full of pace, vivacity and pain, the second act hotel bedroom a tumultuous riot of marital and extra-marital disaster. This sequence is one of Feydeau's greatest achievements. Although the cast is well led by Jean Piat as the eponymous "turkey," I especially enjoyed the old couple whose anniversary trip to the Opera turns into a bedroom nightmare with ringing bells, discarded slippers, adulterous accusations, irate fellow hotel guests and hints of mass rape. The booming old boy is played splendidly by Pierre Tornard, his deaf sleeping partner by Jacqueline Doyen.

Strauss—old and new

The recording of *Der Rosenkavalier* made by Herbert Von Karajan and a glorious cast for EMI in 1956 was one of the main products of his immensely important alliance with Walter Legge and the Philharmonia Orchestra in the 1950s. Despite its age it remains one of the finest versions of the opera available, and it's significant that even a conductor as eager to revise his recorded interpretations as frequently as Von Karajan has waited until the advent of digital recording and the compact disc before revisiting *Rosenkavalier*.

The new version comes from Deutsche Grammophon (413 163-1, four records) and followed the strategy of Von Karajan's other recent opera ventures in preceding a production of the opera at the Salzburg Festival in 1983. Max Loppert reviewed a revival of that production here in August, and had important reservations; some of those same strictures may be addressed to the recording. But a more immediate comparison with the old EMI recording is prompted by the company's canny decision to reissue it in a digitally remastered form (EMI 2900453, four records; the newly packaged set is due in the shops next month).

Scrutiny of recent Karajan performances and those of the 1950s and early '60s generally reveal a fondness for smoother contours in the later accounts, a more sumptuous sound, and moderate tempi. All these points apply equally to the two *Rosenkavaliers*; the Salzburg version is almost always more measured, allowing the singers greater room to express themselves, and consistently warmer toned. Yet the concern for textural homogeneity creates its own problems, particularly in an opera with such a lapidary text, and in which acute musical characterisation is paramount.

Where the Philharmonia creates a web of marvellously inflacted motifs and delicate tints, the Vienna Philharmonic is more bland (and by no means as precise in its ensemble), the emotion now generalised. But Karajan manages some of the score's more languorous moments even more seductively nowadays; the closing pages of the first act are most eloquently restrained, with the slow tempo gently sustained. The Act 2 waltzes are less successful, for here the lack of crispness in the Vienna strings blurs the rhythmic profile just too much.

The principal singers also offer less pungent characterisation, a greater vocal unanimity, than their distinguished predecessors. Anna Tomowa-Sintow, Agnes Baltsa, Janet Perry and Kurt Moll do not measure up to Schwarzkopf, Ludwig, Stich-Randall and Edelmann, but their virtues are considerable: Moll's Ochs is finely sung, solid and sonorous, deliberately avoiding the *echt*-Viennese intonation of Edelmann; Agnes Baltsa is unfailingly attentive to the vocal detail, though she does not project Octavian with the force of personality she usually commands on stage. Tomowa-Sintow is naturally very different from Schwarzkopf, a less protean Marschallin, less intrinsically interesting, but quietly savouring each morsel of the text.

The serious disappointment is Janet Perry's Sophie—thin, brittle at the top and quite anonymous with nothing like the sheer vocal allure of Stich Randall. Those who require a *Rosenkavalier* in the most modern sound will buy the DG recording and find a good deal of idiomatic Strauss conducting, and some remarkable orchestral refinement; those looking for a sharper focus on the opera will return to the old EMI set, and in its fine refurbishment not forfeit a great deal in technical quality.

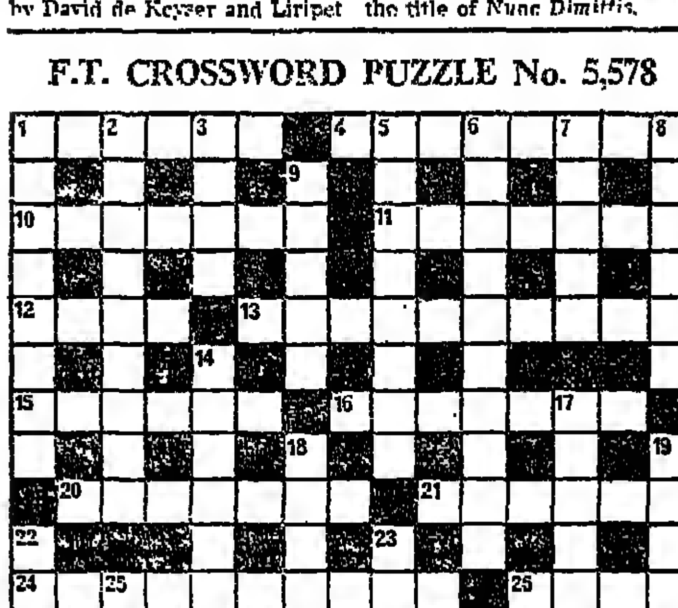
RECORDS

ANDREW CLEMENTS

Even the most ardent Straussian who is likely to want to possess both these *Rosenkavaliers* in his library would not want more than a single recording of his B minor piano sonata Op 5, nor the five piano pieces Op 3. The sonata is strongly made, harmonically assured, and utterly lacking in individuality.

The point of the new CBS issue coupling the two works (CBS 38659) is the pianist, for a sticker on the sleeve reveals that these were the last recordings made by Glenn Gould before his death from a stroke in October 1982. The playing is magnificent; no one could regard his hugely virile, joyful approach as at all valedictory. For all the importance of his recordings of Bach, it sometimes seems as if Gould enjoyed himself most in tackling neglected 19th-century works—sonatas by Bizet, Grieg, and now Strauss—when his prodigious technique and infectious delight in simple extrovert display could take over. These accounts make the best possible *envoi*.

F.T. CROSSWORD PUZZLE No. 5,578



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

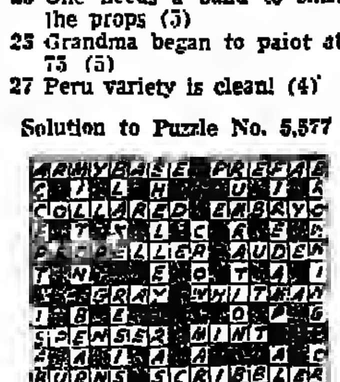
ACROSS

1 Russian vole is rigged (6)
4 From behind a watch the leaders (8)
10 For instance, left out Celtic hermit (7)
11 Sweet youth leader missing our sincerity (7)
12 Said to refuse the Marines, as a rule (4)
13 Cheered when putting grit in, object (10)
15 Simpleton on dole is drunk (6)
16 Giving me, for example, money to go into the assembly (7)
20 On ring road with wealthy bird! (7)
21 Edna moved after the doctor grumbled (6)
24 Pay a Parisian artist caught in meter fiddle (10)
25 Kind stenographers do this (4)
28 Back this morning with the body of a dog (7)
29 Stick a lettuce in something sweet (7)
30 As affectionate as a senior nurse? (8)
31 Tex set cut to form a group (6)

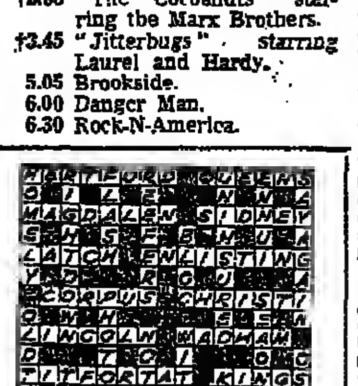
DOWN

1 Still in the way. Ann turns to follow dog (8)
2 Acting for another clergyman, takes the promissory notes (9)
3 Around mid-day, set out the food (4)
5 Fixed, in addition, to cover an unpleasant task (8)
6 Orders it on getting involved with production (10)
7 In the middle of the morning applied to go first (5)
8 Jubilant, getting out of shape (6)
9 Scarcely a street in which you find jail (5)
14 Type of pigeon served with spinach (10)
17 Butter and milk producer (9)
18 Contemptuous of curls arranged around Nina's head (8)
19 Sticking notice on present, off we went (8)
22 People use them to make balls triangular! (6)
23 One needs a band to shift the props (5)
26 Grandma began to paint at 73 (5)
27 Peru variety is clean! (4)

Solution to Puzzle No. 5,577



Solution and winners of Puzzle No. 5,572



Mrs S. Pratt, 60 Latchmere Road, Kingston-upon-Thames, Surrey. Mrs A. Poynder, 8 Portland Place, Whittlesey, Peterborough. Mr F. S. Bagwell, 14 Brent Way, London N3. Mr P. W. Clark, 1 Barretts Road, Dunton Green, Sevenoaks, Kent. Mr P. Murphy, Fairfield Tite Hill, Englefield Green, Surrey.

BBC 1

† Indicates programme in black and white

8.30 am The Perishers. 8.35 The Littlest Hobo. 9.00 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand introduced by Desmond Lynam, including 12.55 News Summary; Football Focus with Bob Wilson; Racing Review with Jockey Bill Smith and Racing from Newbury at 12.45, 1.15 and 1.50; Snooker: The Coral United Kingdom Championship; Rugby Union: Wales v Australia; Athletics: The Presto Food Markets International Cross Country; Final Score at 4.40.
5.05 News.
5.15 Regional Programmes.
5.20 The Tripods.
5.45 The Noel Edmonds Late Late Breakfast Show.
6.35 Bob's Full House.
7.10 Juliet Bravo.
8.00 Hi-De-Hi!
8.30 Dynasty.
9.20 Wogan.
10.10 News and Sport.
10.25 Match of the Day.
11.15 Snooker. Tony Knowles and Cliff Thorburn are in action, on separate tables, in the Coral United Kingdom Championship.

REGIONAL VARIATIONS

Wales—5.15-5.20 pm Sports News Wales.
Scotland—5.15-5.20 pm Scoreboard. 10.25-11.15 Sportscene.
Northern Ireland—4.55-5.05 pm Northern Ireland Results. 5.15-5.20 Northern Ireland News. 12.00-12.05 am Northern Ireland News Headlines.
England—5.15-5.20 pm London—Sport; South West (Plymouth)—Spotlight Sport and News; All Other English Regions—Sport/Regional News.

BBC 2

10.30 am Snooker: The Coral United Kingdom Championship—action from the first-round matches at Preston.
11.50 Open University.
†1.55 pm Saturday Cinema (1): "World for Ransom," Dan Duryea and Gene Lockhart.
3.15 The Sky at Night.
3.35 Saturday Cinema (2): "The Swan," starring Grace Kelly, Alec Guinness and Louis Jourdan.
5.20 Snooker. (Further coverage of the Coral United Kingdom Championship).
6.35 A Vous La France.
7.00 Shakespeare in Perspective: King John. Sir Peter Parker presents his personal view of this play.
7.25 News and Sport.
7.40 Rugby Special. Coverage of Wales v Australia from Cardiff Arms Park; plus the rest of the weekend's rugby news.
8.30 The Saturday Alternative: "The Life and Death of King John," by William Shakespeare.
11.10 Top Gear Rally Report. For the first time, comprehensive coverage of the Lombard RAC Rally, which starts tomorrow in Chester and will cover 2,000 miles of England, Scotland and Wales over five days.
11.25 News on Two.
11.30-1.25 am The Italian Film: [illegible] (Italian film with English subtitles).

LONDON

6.00 am TV-am Breakfast Programme.
9.25 Cartoon Time.
9.30 Fraggle Rock.
10.00 The Saturday Starship.
11.30 Mister T.
11.45 Catweazle.
12.15 pm World of Sport: 12.20 World Championship Boxing 1984 with Jim Rosenthal; 12.45 News; 12.50 On The Ball; 1.15 Racing from Ayr introduced by Derek Thompson; 1.30 Modern Rhythmic Gymnastics—The European Championships from Vienna; 1.45 Racing from Ayr; 2.00 Modern Rhythmic Gymnastics from Vienna; 2.15 Racing from Ayr; 2.30 The Sportstar of the Year Awards Lunch; 3.10 Heavyweight Boxing from Gateshead Leisure Centre; 3.45 Half Time Soccer Round-up; 4.00 Wrestling; 4.45 Results.
5.00 News and Sport.
5.05 Candid Camera.
5.35 Blockbusters.
6.05 The A-Team.
7.00 Tarby and Friends.
7.45 Punchlines.
8.15 3—2—1.
9.15 The Gentle Touch.
10.15 News and Sport.
10.30 Saturday Nightmare: "Magic" starring Anthony Hopkins, Ann-Margret and Burgess Meredith.
12.10 am London News Headlines followed by Bellamy.
1.05 am Night Thoughts with Canon Peter Ball.

CHANNEL 4

1.05 pm Making The Most Of ... your leisure time.
1.30 Chips' Comic.
†2.00 "The Cocoanuts" starring the Marx Brothers.
†3.45 "Jitterbugs" starring Laurel and Hardy.
5.05 Brookside.
6.00 Danger Man.
6.30 Rock-N-America.
7.00 News Summary followed by Seven Days.
7.30 Sugar International Netball Trophy: England v Jamaica from Wembley.
8.00 The Sonnets of William Shakespeare.
8.15 Muck and Brass.
9.15 Ladybirds: Bertice Reading presents a "potted history" of her life to date.
10.00 Hill Street Blues.
11.00 Pushing Up Daisies.
†11.30 "The Thirteenth Chair."

S4C WALES

1.10 pm What the Papers Say. 1.25 A Week in Politics. [illegible]

REGIONS

IBA Regions as London except at the following times:

GRANADA

9.25 am Mister T. 11.20 Chips. 12.15 am Hawaii Five-O. 1.05 Rock of the Seventies: "Yes."

HTV

9.25 am The Wonderful Stories of Professor Kitzel. 9.35 Mister T. 11.20 Father Murphy. 12.13 pm HTV News.

TSW

9.35 am Mister T. 9.57 Gus Honeybun's Magic Birthdays. 11.20 Freeze Frame. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 The Smurfs. 5.35 Candid Camera. 12.15 am Postscript. 12.20 South West Weather and Shipping Forecast.

TYNE TEES

9.25 am Morning Glory. 9.55 [illegible]. 11.50 Batman. 12.13 pm North East News. 5.03 North East News. 5.10 Candid Camera. 12.15 am Jazz Life: Drummer Art Blakey performs with his group, The Jazz Messengers. 12.45 Poet's Corner: Marlene Sidaway reads "I Know Not Where They Have Laid Him."

YORKSHIRE

9.25 am Regional Weather Forecast. 9.30 Mister T. 11.20 Battlestar Galactica. 12.15 am Yorkshire Only.

RADIO

BBC RADIO 1

(S) Stereo; also VHF Stereo

5.00 am Peter Powell. 10.00 Dave Lee Travis. 1.00 pm Lenny Henry (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Ian Brass. 8.30-12.00 am Dixie Peach.

BBC RADIO 2

[illegible]

BBC RADIO 3

[illegible]

BBC RADIO 4

[illegible]

BBC RADIO LONDON

[illegible]

LONDON BROADCASTING

[illegible]

CAPITAL RADIO

[illegible]

CHESS SOLUTIONS

Solution to Position No. 543

1 ... Q-K2! 2 R-QN8, Q-B2; 3 R-QR8 (3 R-KB8, R-N2 or 2 Q-N3, R-K3!), Q-N2 or Q-B3 wins White's rook or queen.

Solution to Problem No. 543

1 B-R8. If 1 ... K-R2; 2 Q-QR1, K-N2; 3 Q-KN7. If 1 ... K-B3; 2 Q-B2 ch and mate by 3 Q-QB6 or 3 Q-KR7.

COLLECTING/LEISURE

Not a great year for Burgundy

IF the 1984 vintage in Burgundy were to be judged by the results of the auction in Beaune last Sunday of the Hospices de Beaune's own wines, it could be concluded that this is a very fine vintage and superior to 1983. The 573 casks of red wine were sold for an average of Frs 22,675 (£2,000) a cask (24 dozen bottles), an increase of 30 per cent on last year. This would have been higher still but the prices of the later red cuvée lots flagged towards the end of this gruelling 5½ hour auction, timed by candle and fuelled by relentless, over-amplified "barking."

The 64½ casks of white burgundy secured a far greater increase, 58 per cent on 1983, with an average of Frs 45,209 (£4,000). This would have been something nearer 40 per cent but for massive bids, largely American-inspired, right at the end of the sale when 31 casks of the favoured Corton-Charlemagne Cuvée François-de-Salins, that had brought Frs 50,000 apiece for the 1983 vintage, went for Frs 105,000 each. Two casks of the Corton-Vergennes Cuvée Paul-Chanson made Frs 70,000 (Frs 50,000 in 1983), and five casks of Meursault-Charmes Cuvée Albert-Grivault sold for Frs 50,000 (Frs 31,000 in 1983). The sale was a record Frs 15,858,000 (Frs 13,732,050 in 1983) for the wine, plus another Frs 114,000 for casks of Marc and Fine de Bourgogne—an overall figure of 16m francs. The buyers also have to pay an additional 4 per cent tax on their purchases.

In fact this year's vintage was far from equal to 1983, whose whites are agreed to be exceptionally fine. The 1983 reds were more variable, partly owing to hail, but those I tasted over the weekend in cask both in the Côte de Beaune and the Côte de Nuits seemed full of flavour and body, although some were undergoing a delayed malo-lactic fermentation that reduces the wine's acidity; and they are often very tannic. It is generally regarded as the best Côte d'Or vintage since 1978.

The problem with this year's vintage was largely caused by uneven weather. As in Bordeaux, a poor spring produced a late, irregular flowering of the vine and a failure of many of the grapes to swell (*millerandage*). A fine, hot July was followed by a stormy August and then a *decidedly wet* September before a slightly late vintage. Officially this began in the Beaujolais on September 24, in the Mâconnais on the 28th, in the Côte d'Or on October 1 and in Chablis on the 8th. Those, including growers in part of the Beaujolais, who picked in the last week of September produced good wine. Further north the grapes were not ripe then, and there was rain almost everywhere in the first week of October, when nearly all the Hospices de Beaune grapes were picked. Those growers who had the courage to wait until October 8 and later before starting to pick generally made the best wine — red and white — especially from vineyards with a high proportion of old vines.

The *millerandage*, however, resulted in great variations in the yield. Bouchard Père et Fils, who own more vineyards than any other firm in the Côte de Beaune, made an average of 35 hl per ha; low but not badly so, while Louis Latour in their celebrated Corton-Charlemagne vineyard produced only 23 hl rather than a normal 30 hl or so. One distinguished Meursault grower told me he made an average crop; another said his was only half of what he normally made. The official forecast for the Côte d'Or is a total of 280,000 hl, compared with 313,000 hl in 1983, and over 400,000 hl in 1982.

It was considerably reduced in Chablis, and smaller than average in Mâconnais/Chalonnais and Beaujolais.

It cannot be said that 1984 is a bad Côte d'Or vintage, such as 1975 (especially in the reds) and above all 1977, and I tasted some undeniably promising 1984 white Meursaults. Poor weather conditions, particularly in pre-vintage September, meant there was insufficient sugar in the grapes. The result is that the wines tend to be low in alcoholic strength and in fruitiness and they are often thin.

In the pre-sale tasting in the Hospices' *fine cellars* I found some of the wines almost unbearably acid, partly because they were already undergoing their second malo-lactic fermentation and partly because they lacked the natural sugar that disguises this. But I was assured that when the wines had "finished" they would not be excessively acid. The white wines tended to be still fermenting and cloudy, and the very high prices they achieved last Sunday were caused by world demand for fine dry white wine, which in Côte d'Or account for only one quarter of the planted acreage.

Although the Hospices' prices were not typical—they never are but they indicate the market trend—those for 1984 growers' wines in the main white wine producing villages of Meursault, Puligny and Chassagne have risen by 40 to 50 per cent. What is more, a very large percentage had been sold before the Hospices' auction. Moreover Pouilly-Fuissé, one of the wine names familiar in the United States, has returned to the relatively excessive price level it held a few years ago, and shot up this year from Frs 6,000 to Frs 10,000 a cask—at least equal to that of Meursault, a wine generally of greatly superior quality.

Since there is no "spare" vineyard land in the Côte d'Or and not much elsewhere, except perhaps in the outer areas of Chablis, there is little likelihood of white burgundy prices doing anything but continuing to rise, at least while American demand remains. Consequently those who particularly enjoy white burgundy—and their rivals in California are unlikely to be any cheaper while the dollar stands so high—should buy the 1983s, while still available here at something like opening prices, and keep their powder dry until the future of the 1984s is more assured.

The 1984 red burgundies, in spite of the Hospices' higher prices, do not have such immediate appeal, though some merchants think they may turn out better than the whites. Their prices overall may not be higher than the more successful 1983s, and they are expected to develop quickly, owing to lack of alcoholic strength. They have, as always, been chaptalised (with sugar added to the must in the fermentation vats), but legally this can add only two degrees to a minimum of natural strength, although it is doubtful that any extra sugar in a grower's cellars will go unused this year.

No two vintages are ever alike, but it has been suggested that a wine similar to the acceptable 1974 will have been made this year. But those who have not yet bought their full complement of red 1983s should not hesitate to do so. Certainly I have tasted some excellent examples (more than one merchant's cellars. Outside the Côte Chalonnaise — Mercurey, Rully and Givry—one can pretend that they are inexpensive, but for quality and style they face even less competition from elsewhere in the world than the white burgundies. And who can doubt that the wines will be more expensive in a successful 1985 vintage? And, of course, a couple of years younger.

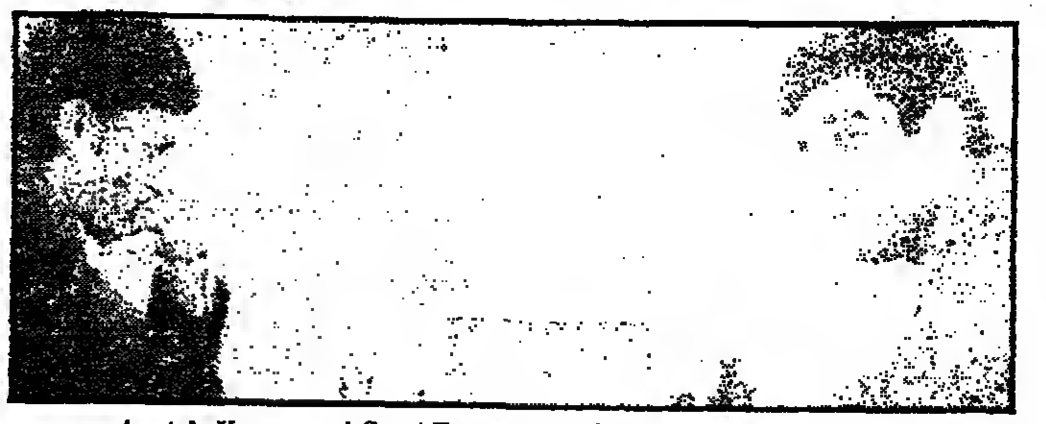
WINE

EDMUND PENNING-ROWSELL has just returned from Burgundy where he found the 1984 vintage to be more expensive and inferior to that of 1983.

CHESS

LEONARD BARDEN

A record in anti-chess



Anatoly Karpov and Garri Kasparov on their way to a world record

ON Wednesday Karpov and Kasparov played their 17th successive draw at the world title match in Moscow, exactly doubling the previous record of eight draws set by Capablanca and Alekhine in 1927. The normally docile Russian audience, which reacted to draw number 15 by derisive whistles and an angry hum of protest, expressed the view of many chess fans round the world.

The rationales and explanations are well known. Karpov, 4—0 up in the match, is content to bide his time, wait for an endgame advantage, and test his volatile opponent's nerves; the champion is by nature a risk-avoider. "Burning bridges," he once said, "is not my style."

Kasparov, on the brink of overall defeat, is by his own statement waging a war of attrition. Translated into earthier language, this seems to mean he hopes that the below-zero rigours of the Muscovite winter will donate flu or pneumonia to his older and physically slighter opponent.

Such techniques are a kind of anti-chess, and it is already widely predicted that next time round the International Chess Federation (FIDE) will revert to a set series of 24 games rather than allow a timeless test determined only by six wins. Introduction of a tie-break, such as a mandatory one-hour game replayed to a definite result after every six draws, would also be popular.

But all this is for the future; could FIDE take any action now if the deadly draw series continued for 20, 30 or 50 games? The short answer is that they could, but they won't. The laws of chess, in the section on premature draws, contain various relevant "interpretations" decided by past FIDE congresses. Thus it is said that "voluntary measures to evade the fight . . . should he held contemptible for reasons of sport and be judged accordingly": that "tournament arbiters are requested to impose in cases where clear contraventions of the moral principles of the game are evidenced, penalties reaching as far as the loss of the game."

The laws even imply that the top men have a special responsibility: "International Grandmasters and International Masters of FIDE ought to serve as examples to other players. Players who repeatedly act without respecting their duty to the organisers and to the chess public may be subject to disciplinary measures taken by the arbiter."

So in theory it is open to the FIDE congress, meeting during the current olympics at Salonica, or to the FIDE Central Committee, the governing body between congresses, to penalise the Moscow contenders if the draw series extends to a ridiculous level.

But in practice the chances of FIDE taking effective action are remote. The world body has proved unable to stop the much more serious offence, specially prevalent in Eastern Europe, of players buying and selling points. K and K can legitimately argue that the match score of 4—0 poses special problems for both and that their current work to rule is justified in the context of overall match strategy. The Moscow phoney war could go on for some time yet.

What of the other allegations, still actively canvassed, that Kasparov's disastrous start represents an arranged result—that the challenger has been warned by the Soviet authorities not to win? I see no hard substance to these claims, and the "evidence" put forward is questionable.

In particular:

1—None of the western correspondents in Moscow for the match supports the allegations.

2—The claim (made by Korchnoi) that Kasparov's only GM trainer, Timoshenko, was called up for the army after the second game seems a reverse of the truth. According to Reuters, Timoshenko was in fact given special army leave to help Kasparov and is still seen regularly at the playing hall.

3—Kasparov's overlooked wins in game 16, put forward to support the claim that he isn't allowed to score points, are offset by Karpov's missed chances in games 2 and 11.

4—"If Kasparov was ill, he would have taken time-outs." But he did, twice, early in the match. Some Moscow observers believe that Kasparov's fever which caused his first time-out had a debilitating effect which lasted for several games.

5—"Kasparov had the higher FIDE rating, so should win the match." The difference between them (Kasparov 2,715 points, Karpov 2,705) is statistically insignificant; Karpov has held his rating for several years. Kasparov's points came from wide margin tournament wins over weaker opposition.

6—"The Russians have tried, by fair means or foul, to influence every title match since 1972." True—but the opposition also fought its corner with bare fists. Fischer misbehaved many times in 1972, and asked for a two-point advantage in 1975. Korchnoi wore mirrored spectacles in 1978, and insulted Karpov at the board in 1981. There is no evidence of "fixed results" in the all-Soviet matches prior to 1972: in particular Bronstein and Spassky, "anti-establishment" players meeting title holders in good favour with the authorities, scored between them a tied match and the world championship.

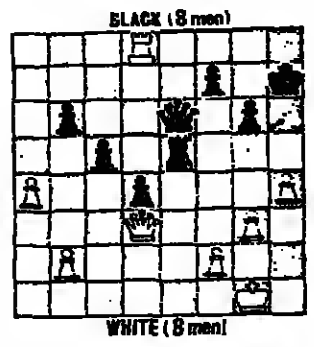
low.

7—"Fellow-Russians don't dare to beat Karpov." Since winning the world title, Karpov has lost some four games to other USSR players. But excepting Korchnoi, his loss percentage against opponents from other countries is also extremely

So K and K are boring us—yes; but cheating us—no.

POSITION No. 543

BLACK (8 men)



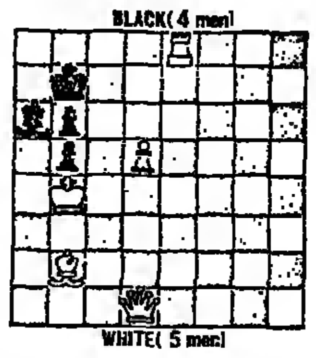
WHITE (8 men)

Capablanca v Alekhine, first match game 1927. Alekhine's win with Black against his supposedly unbeatable rival is among the notable upsets of world championship play. The full 34 games with the winner's comments are in *On the Road to the World Championship 1923-1927* (Pergamon, £7.95 paperback).

Here Black went R-K8 ch but Alekhine writes "This is the only move for which I have seriously to reproach myself." What did he miss?

PROBLEM No. 543

BLACK (4 men)



WHITE (5 men)

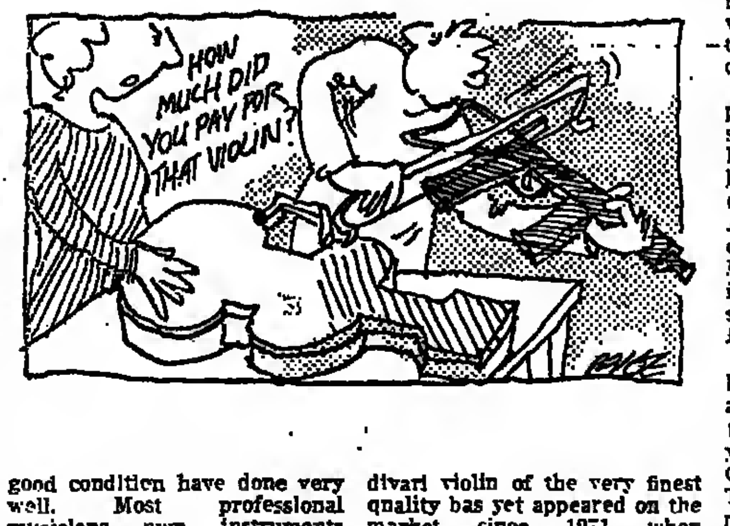
White mates in three moves, against any defence (by H. Meyer, 1864). Generations of solvers have enjoyed this mini-puzzle, which features a seemingly irrelevant white first move.

Solutions Page 16

Sweet music to auctioneers

INTERNATIONAL SALEROOMS

ANTONY THORNCROFT



THE "CATHEDRALE," a violin made by Antonio Stradivari in Cremona in 1707, during his "golden period," sold for £396,000 at Sotheby's on Thursday, an auction record for a musical instrument — although it is rumoured that another Strad has recently been sold in the U.S., through a dealer, for $1m.

The price was very close to the top *pre-sale estimate of* Mr Graham Wells, Sotheby's musical instruments expert. The "Cathédrale" is probably among the best top 50 of Stradivari's output of approaching 600 violins (he lived 93 years), with a considerable amount of original varnish remaining and with few cracks. It was certain to find a buyer, *in this case Mr Peter Biddulph,* the London dealer, who was bidding on behalf of a keen European amateur musician.

Musical instruments, or rather stringed instruments, are one of the strongest and most predictable markets that the London salerooms have developed in recent years. Until 1970 Phillips had the field very much to itself but now Sotheby's in particular, and Christie's, have built up a considerable business, with Sotheby's anticipating a turnover of £2.5m this year as against £25,000 15 years ago.

The market is underpinned by musicians. For professional string players an instrument is the second most important purchase after a house: sometimes they can spend more on a violin, and are prepared to do so in the knowledge that violins have steadily appreciated in value over the years — *at least authentic violins in* good condition have done very well. Most professional musicians own instruments valued at between £5,000 and £20,000; leaders of the strings will be playing on even more expensive instruments: and soloists could well have a violin approaching £100,000 in saleroom value. For many musicians their violin is their nest egg, to be sold on retirement to finance their declining years. amateurs who believe, probably quite rightly, that an instrument by a leading master improves their playing. No wonder that Graham Wells finds that the prices in around two-thirds of the lots in his auctions fall within his pre-sale forecasts.

Thursday's auction was unusual in including two violins by Stradivari, following a Christie's sale on Tuesday which included one, plus a violin made partly by the Cremona master. *In addition,* Christie's *New York* has just sold a Strad; Sotheby's there is about to do so; and this year dealers have been fairly flush with Strads for sale. Despite this glut all should find buyers and it was noticeable that the £167,400 which secured Christie's Strad and the £165,000, paid for Sotheby's second offering, were prices hang on target. And no Stradivari violin of the very finest quality has yet appeared on the market since 1971 when Sotheby's sold the "Lady Blunt" for £84,000, easily a new record then and the start of the saleroom's dominance in this market. Today the "Lady Blunt" would sell for £1m.

There is a feeling among some musicians that much played Strads are now past their best and, for financial as well as musical reasons, attention is switching to the French and Italian violin makers of the early decades of the 19th-century such as Rocca and Vuillaume. This week Sotheby's sold a violin, made by Rocca in Turin in 1842, for £33,000, as against a £22,000 top estimate. The best violins of this period are selling for roughly double their prices of five years ago.

Of course most violins, made by the hundred thousand in Germany in the *last century* and bearing more often than not a Strad label, are junk. (Frances Gillham at Christie's gets offered at least six "Strads" a day.) Graham Wells gives this advice for parents of gifted young violinists who are encouraged to spend around £1,000 on a decent instrument. "Avoid anything with cracks or that is composite. Condition is more important than tone." The same rules apply for more expensive violins: also, if possible, ensure that the instrument carries a certificate of authenticity.

Stringed instruments have proved a steady and slowly strengthening market. There have ben no dramatic price setbacks: the international nature of the demand underpins prices. As a guide to price on Thursday Sotheby's sold a violin by Nicolo Amati, made in Cremona in 1660, for £15,400: in 1970 it sold the same instrument for £950.

Demand embraces all stringed instruments — the previous auction record price, £250,000 (plus premium) was paid last year by the musician Raymond Cohen for a cello by Stradivari. This week Christie's achieved a record price for a viola of £129,600, paid for an instrument made by Maggini in Brescia soon after 1600 and in its original condition.

One significant sector which has done particularly well is bows—most bows sell for below £5,600 (at which point Capital Gains Tax becomes operative) and last year Sotheby's sold a private collection of 30 for £40,000 with only one bow falling foul of tax. This week Christie's sold a bow by the French maker Dominique Peccatte for £7,000.

London is the centre of the musical instrument market: this week's sales confirmed its dominance. Sotheby's total of £1,246,162, with just 7.4 per cent bought in, is a record for any musical instrument sale. Christie's weighed in with £466,280. Already instruments are being accepted for the next auctions and Sotheby's is excited that it may be selling a violin by Joseph Guarneri del Jesu next year—a maker who is regarded as ahead of Stradivari, with a much smaller output. So it is quite possible that this week's record price may be a very temporary mark.

BRIDGE

E. P. C. COTTER

IN a contract of three no trumps success generally depends upon proper development. Let us look first at this hand from a rubber:

	N	
	♠ Q 8	
	♡ A 9 8 5	
	◇ J 4	
	♣ 10 8 6 5 3	
W		E
♠ J 10 9 6 4 3		♠ 7 5 2
♡ K 10		♡ J 7 4 2
◇ Q 7		◇ K 5 3
♣ K 7 2		♣ Q 9 4
	S	
	♠ A K	
	♡ Q 6 3	
	◇ A 10 9 8 6 2	
	♣ A J	

South dealt at game to East-West and bid one diamond, North replied with one heart, and raised the opener's rebid of two no trumps to three.

When West led the spade Knave, South did not feel too happy. The wastage in spades was annoying, but the shortage of entries to dummy was reason for alarm. The proper way to handle the diamond suit was to finesse twice from the table, but the lack of a second entry to dummy made this impossible.

The declarer realised that there was one chance—that West had a doubleton honour in diamonds. Winning the spade lead in hand, he led the diamond two, West went up with his Queen, and dummy followed with the Knave, an intelligent unblock. West led another spade to clear his suit. South crossed to the Ace of Hearts, returned the four of diamonds, and finessed the 10. The diamond Ace dropped the King, and nine tricks were made.

I remember meeting the identical situation in the final of the National Pairs Championship—I have a record of the hand somewhere—and I played *as described above.*

You may say, suppose West is a cunning fellow and plays low, and East wins. What does South do? That depends upon how highly you rate West's ability. Very few players would have the nerve to withhold the Queen, and your best line would be to finesse against East when you cross to the heart Ace.

Sometimes success depends upon which suit the declarer decides to develop first:

	N	
	♠ J 8	
	♡ K J 9	
	◇ 10 6 4 2	
	♣ A J 5 4	
W		E
♠ K 10 9 7 3		♠ 6 5 2
♡ 10 4 2		♡ Q 8 5 3
◇ K Q 5		◇ 8 7 3
♣ 9 2		♣ Q 10 8
	S	
	♠ A Q 4	
	♡ A 7 6	
	◇ A J 9	
	♣ K 7 6 3	

With both sides vulnerable, South dealt and bid one no trump, and North raised to three. West led the spade seven, dummy's Knave won, and the declarer thought he would develop clubs—it gave him a chance to show off his knowledge of the safety play. He cashed the Ace and crossed to his King, but no Queen dropped.

East won the next club, returned a spade to the Queen and King, and West led another spade to clear his suit. South cashed his last club, and turned his attention to hearts. He cashed his Ace, then finessed the Knave. East won, and a diamond return meant defeat.

The declarer went astray by choosing the wrong suit to develop. He should have chosen diamonds. At trick two he leads a diamond and finesses the nine. West wins with the Queen, but cannot with advantage continue with spades.

If he leads the club nine (best), declarer wins with dummy's Ace, leads another diamond, and finesses the Knave. West wins, and returns another club, which is won by the King. South cashes his diamond Ace, and loses a club to East, who leads back a spade. Declarer wins, and scores game with two spades, two hearts, two diamonds and three clubs.

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Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Saturday November 24 1984

Haunted by Hoover

"IF HIS LUCK runs out, he could turn out another Herbert Hoover," said one of President Reagan's aides, free, after the election victory, to speak the U.S. Administration's hidden fears; and in the last week, the ghost of the Depression President has rattled its chains quite audibly. It has suddenly become apparent that the recovery which swept Mr Reagan back to office had actually petered out as long ago as July, though the turn was noticeable only in rising unemployment benefit claims at the time. Growth slowed to less than 2 per cent in the third quarter—barely half the rate suggested even by cautious estimates at the time—and may by now have stopped altogether. The Federal Reserve, which had publicly maintained a cautious stance as money growth slowed down, responded with a symbolically important cut in the official discount rate on Wednesday.

Memories of 1929

If American pessimists revive memories of 1929, when a great Republican boom collapsed in ruin, the optimists—who remain in a rather nervous majority—appeal to more recent history. Only two and a half years ago the Fed, looking into the abyss of widespread debt default and bank collapse, reduced interest rates dramatically. This released the power of President Reagan's highly stimulative fiscal policy, and a record-breaking recovery.

A second round of interest rate cuts should again stimulate investment consumer borrowing and growth.

In fact, both parallels are grossly misleading. In 1929 spending was supported mainly by speculative fever in the stock market. When the bubble burst, and middle-class small investors faced bankruptcy, the President stuck to his balanced-budget policy and cut spending as revenues fell. The Fed, meanwhile, failed to prevent a collapse in the money supply as banks failed.

In the recent recovery, stock market values have remained unexciting. The banks, which have indeed become dangerously over-extended, are already managing to widen their margins as deposit rates fall in a slackening economy, while falling lending rates will help their debtors, in the farm and energy industries and among developing countries, to survive. The government deficit, which will grow automatically as revenues fall, will be a stabilising force, and Congress is unlikely to do anything effective to cut it as long as the economy is seen as weakening. The pessimistic consensus now looks only to a "growth recession"—a year of very sluggish progress: only the extremists talk of an actual recession, with output falling in the first half of 1985, and even they look only for a very shallow dip.

Do we then face little or no growth in the U.S. (as the EEC, incidentally, has already assumed in its own economic forecast), or a 1982-style rebound? The difficulty with this more recent parallel is that circumstances can change drastically in two years. In 1982 the Fed ran deliberate risks, despite then excessive monetary growth, to avert financial collapse; this time it is moving cautiously in a more subdued situation.

It is still more than possible that as evidence of the current slowdown accumulates, the Fed will lead rates down more aggressively. This will be all the easier because the banks are pursuing much more cautious growth policies, so that monetary growth seems unlikely to take off as a result.

However, the foreign exchange market poses a tricky management problem for the Fed. If rates were cut too fast—if, that is, they fell faster than the central banks of Europe and Japan felt able to follow—the rate differentials which help to support the dollar would narrow, and a serious fall could begin. At the moment, nobody knows how to achieve a soft landing in the volatile currency markets, so any easing of U.S. policy is likely to proceed this time step by nervous step.

Finally, there is a much more hopeful contrast with both 1929 and 1982. In 1929, all the major economies in the world crashed together; 1982 started vigorous growth in the U.S. itself, but not in the rest of the world.

Fixed interest

Is it possible, then, that we are no longer all in the same boat, but rather on a seesaw, so that as U.S. growth declines, growth elsewhere will tend to go up? Some financial economists—unlike the model-builders who tend to look exclusively at income flows—believe that this is so. The argument is simply that under a world-wide monetary constraint, U.S. borrowers have in the last two years hogged nearly all the world's available credit. If U.S. demand ebbs, others will get a greater share; as rates fall to levels that they find attractive.

Certainly the British Treasury, which used to argue that interest rates had no effects in the real world, now believes that a fall would be most reviving (though to make sure, it is also pumping back into the economy every penny it can raise through massive asset sales and record North Sea output). It is a theory which remains to be tested, but it could come right. Meanwhile, fixed-interest investments look like a safe each-way bet.

THE CITY AND VENDOR PLACING

When equity is less than equal

By Duncan Campbell-Smith

THURSDAY morning began in fine style in the City offices of Morgan Grenfell. Senior executives of the merchant bank committed it just before 8.15 am to paying £180m in exchange for a little over 113m newly issued shares in one of the UK's fastest growing companies.

And at precisely 8.30 am, as pre-arranged, stockbroker Rowe and Pitman embarked on the task of selling those shares on the bank's behalf to the institutions of the City.

In the broker's three-week old operations room — resplendent with bright new pea-green switchboards and wall-to-wall video display units—it took 30 salesmen all of 20 minutes to complete the job, placing the 113m shares with a group of 130 major clients.

That, however, is unlikely to be the end of the matter. The company involved, Dee Corporation, scored a great coup. But it was following in the footsteps of two other similar operations for other companies conducted in recent weeks. The result is a gathering City controversy — "and this deal," as Mr Peter Wilmot-Sitwell, the broker's senior partner, put it, "will make it red hot."

Mr Edgar Palamountain, chairman of the Wider Share Ownership Council, would not disagree. His reaction was unequivocal: "I would have thought that the very first time this happened, there would have been a thundering row."

It is easy to see why. New shares normally have to be offered to all shareholders pro rata with their existing holdings. Yet many of Dee's shareholders must have learned of Thursday's sale only from yesterday newspapers—a situation which, had it happened in the U.S., would have left the company buried under an avalanche of litigation for years to come.

The missed chance of a capital gain

But provided only that a majority of shareholders approve the action, a UK company under Section 18 of the 1980 Companies Act can ignore the legal obligation to give each and every one of them "pre-emptive rights" to subscribe for any new shares on offer.

In the past, this exemption has generally been used only by companies issuing, typically, perhaps 10-15 per cent of their equity on an exclusive basis in order to finance a corporate acquisition—the ploy generally known as a "vendor placing."

No one until this week really expected any company to finance a bid worth more than a few tens of million pounds in this way. Now that seems suddenly to have changed.

The shares sold by Dee on Thursday represented no less than 45 per cent of its equity. They went to a vendor, as required: in this case, BAT, which took them in exchange for its International Stores subsidiary. To be exact, therefore, Morgan Grenfell bought the shares from BAT some minutes after BAT took them from Dee. But the legal niceties of the vendor placing mechanism are of little direct consequence to the small shareholder — and leave him at least three potential grievances.

First he is excluded from the expansion of the equity and must therefore suffer a reduction in his percentage holding —a consequence, as Mr Palamountain puts it, "manifestly contrary to any principle of equity."

Second, he misses the chance of a capital gain which the institutions are offered via a discount on the sale price as compared with the current market price. Mr Paul Lovett is Norwich Union's investment manager in charge of UK equities: he picked up some Dee shares on Thursday—albeit fewer than any pro rata entitlement—but readily acknowledges a market anomaly. "If I were a small shareholder in Dee, I think I might feel aggrieved if I looked at the newspaper and saw that the institutions had all taken shares at 160p while the stock closed the day at 180p." In fact, it closed up 12p at 186p.

And third, the small shareholder has little effective means of redress. True, the law requires shareholders' approval for any suspension of pre-emptive rights; but at the appropriate extraordinary general meeting, a majority will generally be commanded in practice by exactly those institutions who took up the new shares in the first place.

In these circumstances, the protection of the small shareholder's interests must inevitably fall to the directors of the companies involved—a point readily accepted by all those who have recently opted for the vendor placing route. And as they are also quick to claim, a substantial case can be made for the non-pre-emptive issue.

One obvious justification is that rights issues can involve lengthy delays. A deadline on a prospective acquisition can therefore mean doing it via a vendor placing or not at all.

The protection of the small shareholder's interests must inevitably fall to the directors of the companies concerned

This factor goes far to explaining the recent spate of placings. Rights issues have to submit to a calendar imposed by the Bank of England—and British Telecom has pushed all others aside for several weeks. But the Bank has chosen to allow vendor placings during this period, though the practical distinction between them and rights issues appears entirely bogus to many City advisers.

Mr Alec Monk, chief executive of Dee, is clear on this point: "I personally believe in maintaining the pre-emptive rights of shareholders. Having said that, do you do the deal or don't you, always assuming you believe it will rebound in all the shareholders' interests? We seriously looked at a rights issue; but the timing difficulty ruled it out."

Another, more exotic defence of the vendor placing is provided by the accountancy profession. Using cash to purchase a purely service business can give rise to a hefty goodwill item, leading to a subsequent drain on the purchasr'a income statement as the goodwill is steadily written off from the balance sheet. An offer of shares, on the other hand, avoids goodwill but can be impractical if the vendors want cash. The vendor placing in these circumstances is a way of squaring the circle.

Saatchi and Saatchi, the advertising group, was in exactly this position two weeks ago. It wanted to buy the Hay Group of management consultants in the U.S. for $100m.

The company could not countenance putting £90m of goodwill on its balance sheet, but the Hay partners wanted cash.

So Saatchi, advised by County Bank, placed shares equivalent to 37 per cent of its equity with a group of City institutions and the deal was done. Saatchi stressed yesterday that it meant no disservice to the principle of pre-emptive rights "but it would take a brave man to lay down hard and fast rules for every situation."

Again, some companies undoubtedly find the placing approach more attractive because it involves selling the shares at an apparently smaller discount than the 15-20 per cent customarily associated with a full rights issue.

The numbers here are misleading, though. Since a share price adjusts itself after a rights issue to take account of the ne wsize of the equity, any percentage discount is to a large extent purely cosmetic—and goes to the existing owners. The discount on a vendor placing, on the other hand, is the real thing.

Merchant bankers in the City privately confess to endless difficulties in persuading company chairmen of this. "The superficial rights issue discount figure is a sort of corporate virility symbol," said one last week, "in a way that quite transcends rational argument."

Yet, in a sense, the pre-occupation with a smaller discount is justified, too. The stock market very often over-reacts to a rights issue and it can depress the shares for months. Vendor placings, on the contrary, can stimulate the City's enthusiasm for the issuer and leave the shares significantly higher than they started.

This has happened in the case of Dee, Saatchi and Ward White, the shoe retaining group which placed the equivalent of 30 per cent of its equity earlier this month to help buy the Halfords business from Burmah Oil. All these companies subscribe to Alec Monk's verdict that, given the market's reaction, the small shareholder "gets a smaller sized slice of a bigger cake"—quite dramatically so in the case of Saatchi, whose shares have risen from an adjusted 21p to 860p in seven years.

The "smaller slice" problem remains, nonetheless. "It is a real and serious problem," says Mr Philip Birch, head of Ward White. "I addressed it hard and long over the Halfords transaction... If I hadn't done a rights issue just a year before, I would have been quite concerned about it. You have to take the small shareholder with you."

Ironically, it appeared this week that these companies have probably taken the small shareholder with them more successfully than some of the big City players. The strong stock market has kept the small man haony—but at least some of the institutions are more alert to the orinciples involved.

"We decided after a lot of heart searching that we had to participate in the Dee issue," and Mr Paddy Linaker of M and G Investment Trust. "But we really do feel that in operations of this kind, there is a lot of woolly thinking around the City about the small shareholder's rights. The principle of equity goes out of the window."

Mr George Dennis, chief investment manager of the Post Office Pension Fund makes the same point, stressing "a very important principle that all shareholders should be treated the same." And he has a possible remedy to offer. "What is to stop the company doing an equalising rights issue next time they want money? They must know which shareholders have taken shares in the vendor placing: they could offer new shares to the rest of the owners next time round."

In defence of the City's merchant banks, it must be said that they, too, have explored remedies of their own. Morgan Grenfell itself, Dee's adviser, pioneered a 37 per cent vendor placing for Computer and Systems Engineering (CASE) last April, which allowed for half the shares to be offered for sale to all shareholders a month later. "We wanted to provide a clawback," explains Mike Greig, CASE's financial comptroller, "because it would offer some protection for our small shareholders, who stand to lose out in a vendor placing."

For the banks, vendor placings are less troublesome than rights issues and usually far more lucrative. "And does the small shareholder actually suffer?" asks David Pearson, head of corporate finance at merchant bank Robert Fleming. "The dilution may be there.

'Principle of equity goes out of the window'

Provided the earnings per share stay the same, though, it really makes little difference to him."

Others see a bigger problem. "I would find it difficult to say that the vendor placing was fair and equitable to all shareholders," says Mr Nicholas Jones of Schroders, for example.

Mr David Hopkinson, chairman of M & G, takes the basic criticism a stage further: "The Government is fabulously busy trying to spread wider share ownership through Brit Telecom and all that. It is totally illogical for it at the same time to allow a system to grow up which damages the interests of small shareholders as these placings do."

The rising popularity of vendor placings carries huge implications for the whole shape of the restructured City. Large placings require close co-operation between bankers arranging the details, and brokers' salesmen distributing the shares. This could put the emerging financial supermarkets at a critical advantage, perhaps, over merchant banks relying on the traditional link-up with an independent stockbroker.

Letters to the Editor

Rights versus placings

From the Chairman, M & G Investment Management.

Sir,—There are an increasing number of occasions when companies place substantial amounts of equity capital with large institutions to finance acquisitions without involving all the shareholders.

This undesirable practice almost always operates to the disadvantage of small shareholders who are unable to participate, by diluting their interest in the equity of their company. This month we have already seen Ward White place shares at 130p (now 180p) with a dilution of 23 per cent for those who did not get offered shares, and Saatchi & Saatchi placed shares at 765p (currently 855p) with a dilution of 27 per cent. Finally, shareholders of Dee Corporation are faced with a placing of shares at 160p (now 185p) involving a dilution of over 30 per cent.

Companies and their advisers defend their recommendation of these transactions to shareholders upon grounds of cost, simplicity and speed. We believe however, that the conventional rights issue is the best way of ensuring that all shareholders can participate in the growth of a company without diluting their equity. If speed really is necessary in order for a company to complete a transaction, then this can be achieved by way of a conditional placing to institutions with rights for shareholders to claim back their entitlement. This has been done successfully on several occasions.

Rights of pre-emption have long been regarded as a fundamental privilege of equity ownership and the Companies Act, 1980, recently gave them legal force, but nowadays shareholders are frequently asked to disapply these statutory provisions, often without understanding the implications ...

reservations, we had to take part in such placings in order to protect the interests of our investors. Perhaps the large institutions who increasingly dominate the market and are the beneficiaries of this practice should agree not to participate in future placings involving a dilution of more than 10 per cent of the equity. This would give at least some protection to the small investor who is the last person being thought about in the present re-organisation of the City.

D. H. L. Hopkinson.
Three Quays,
Tower Hill, EC3.

Pontification all round

From Mr D. Done.

Sir,—Mr John Selwyn Gummer chides the Church of England Bishops for pontificating on economics when they are not experts in the subject (November 19).

This is somewhat unfair of him. After all, such considerations have not constrained the pronouncements of his colleagues in government.

D. E. Done.
1, Willowmead Gardens,
Morlow, Bucks.

A fair field and no favours

From Mr H. Law.

Sir, — That government policies have failed to deal with unemployment proves nothing about laissez faire as a principle (November 17).

The term laissez faire was first used in relation to economics by the French Physiocrats Quesnay and Turgot in the 18th Century, when they used the motto "laissez faire, laissez allez" to describe the principles which they advocated. This is said to have come from the cry used in medieval tournaments to give the signal for combat; the equivalent in English is "a fair field and no favours." The Physiocrats believed in freedom ... and the last of these freedoms, they argued, could only be achieved in the absence of government intervention.

Physiocrats, however, also pointed out the need to abolish all taxes except a tax on the value of land, and it is unfortunate that this aspect of laissez faire has been almost totally neglected. This was the "impot unique" or single tax, and the failure of governments to adopt any tax of this kind could well be a major cause for the persistence of unemployment. It is no use trying to promote flexibility in the labour market without, at the same time, trying to achieve a corresponding flexibility in the market in land and buildings — which requires a tax on the rental value of land.

Without the "impôt unique," or at least a move in that direction, laissez faire is one-legged, and cannot possibly be expected to work. The answer is not to create artificial demand by printing money, but to adopt both halves of the policy. As Chesterton said of Christianity, laissez faire hasn't failed—it has never been tried.

Henry Law.
19 Queens Gardens,
Brighton, Sussex.

Open or shut cases

From Mr J. Skeffington.

Sir,—All your correspondents appear to have missed one vital point in dealing with the financial losses (costs) being, or to be, incurred when comparing the longer term cost of closing a pit (redundancy payments, unemployment pay, social ...

I have no argument with the comparison of costs and the acceptance that the consequences of closure of a pit is a social problem.

What I believe has been overlooked is "human nature." If a loss-making pit is kept open, one must expect similar pressures to be applied by workers in steel manufacturing, shipbuilding and any other industry—this is simply human nature. We would eventually reach the absurd situation where every industry would have to stay in business employing people to produce goods which are not required. Who then is to pay the financial cost?

J. C. Skeffington.
Coach House, Upper Eashing,
Godalming, Surrey

Cable TV in Swindon

From Mr R. Ogle

Sir,— Your excellent review of Swindon (November 13) does not quite give a true picture of the provision of broadband, multi-channel cable services in the town. In all the publicity given to the coming of cable TV and the questions relating to its financial viability, nobody considers the people affected by the business of laying ducts in residential areas.

West Swindon is the area—the first in Great Britain—to be afflicted by the provision of the new system. People living here however resent being considered as the guinea pigs of this technological revolution. The main opposition is twofold. The manner in which cable services are being introduced ... the parent company of Swindon Cable has ever undertaken. We were not consulted and feel insulted that we are treated in such a cavalier fashion.

Cable laying leaves an ugly black, aesthetically repugnant scar along the pavements throughout the area, many less than eight months old. One could compare it to the trail left by a large slug, passing over the ground exuding a thick, black environmental disfigurement in its wake. The demand from the majority of residents upon Swindon Cable is to reinstate the foot-paths by completely re-laying the top surface.

In the fullness of time, the question of Cable TV will be resolved by the number of people using the service. The resentment, however, towards an un-asked for service is so great that the future profitability of Swindon Cable must be in question.

Roger Ogle.
13, Castle Dore,
Freshbrook,
Swindon, Wilts.

The Revenue and small businesses

From Mr A. Nelson.

Sir,—The item by George Graham (November 20) requires to be taken seriously. I have been in practice now, both as an employee and as a principal for over 30 years, and it is with considerable regret that I have to agree with the Tax File report.

There is no doubt in my mind that the Revenue has become very much more aggressive, and in individual cases very much less reasonable. For example, the PAYE audit sections very often try to include genuine independent operatives in payroll and suggest that employers concerned have not complied with PAYE regulations. Many small businessmen, whose records are often quite rudimentary simply because their businesses are small find this a very difficult situation to defend. Often it is alleged that certain ... charged to tax on the employee, or disallowed as expenses to the employer.

In one case a minor error was found and tax recovered of less than £100, but the cost to the client exceeded £500, and I am sure that the cost to the Revenue was no less. In another case, involving an estimate of personal expenses of the proprietor living in a small hotel, some years after the Revenue had already agreed the figures a new Inspector purported to change his mind. There is in my mind no doubt that he was wrong in law, and there has since been a further decided case which confirms this view. After the intervention of the regional controller the matter was settled for a negligible amount of tax, but the costs were perhaps 20 times as great as the tax involved if both client and Revenue costs are included.

In such cases one can, of course, resort to the Commissioners, but unfortunately the cost of an appeal hearing to the client is high, the outcome uncertain and costs cannot be obtained against the Revenue at this level. Thus it is fighting the taxpayer with his own money, and usually if he wins he is out of pocket. For this reason it often pays to settle, and it is only for this reason that the Revenue can claim that in 90 per cent of selected cases more tax is found to be due.

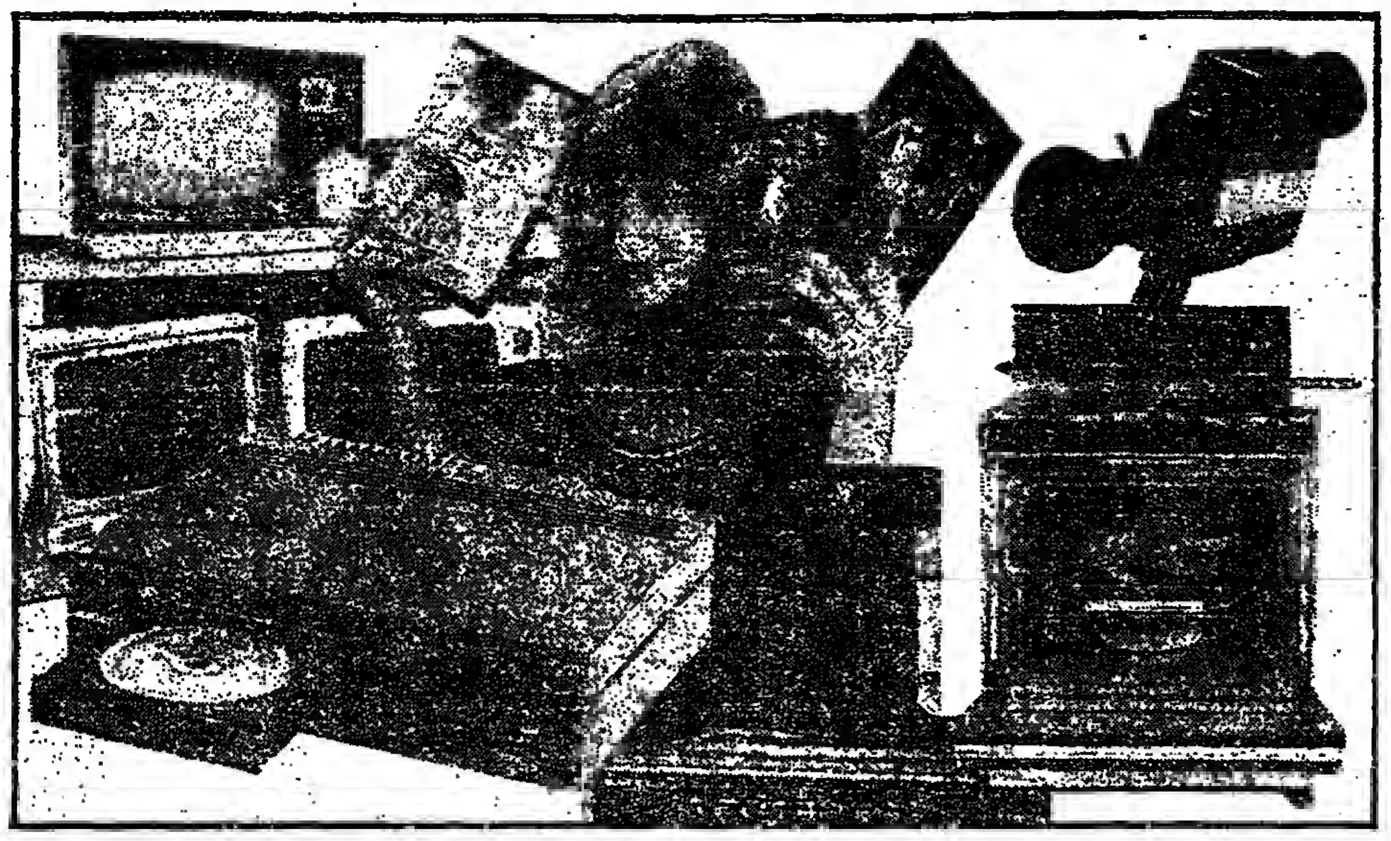
For my part I have not observed any increased tendency to regard accountants as dishonest. I think that in fairness it must be acknowledged that most Revenue officers are reasonable, and their task is difficult. Nevertheless, there is to my mind no doubt that an element has entered the Revenue staff which seems to believe that its duty is not so much to collect the correct tax, as to squeeze the taxpayer as much as possible, and if he is a small businessman he is fair game and probably dishonest anyway.

A. W. Nelson.
Hedgerows.

UK CONSUMER ELECTRONICS

The fierce battle to stay one step ahead

By Jason Crisp



VIDEOS AND HI-FI SYSTEMS

Constantly changing demands

"THE BLACK economy is much bigger than anybody thinks. There is no other explanation for the strong demand in consumer electronics, says Mr David Johnson, managing director of Rumbelows, the High Street electricals chain. "For example, we are very strong in the Tyne-Tees area, which has had very high unemployment, but we have never noticed any sign of recession."

Since 1980 demand for consumer electronics products in Britain has doubled and is now worth about £3bn a year. Britain has led the world in demand for video recorders, for colour TVs and home computers. But the boom has passed its peak. Sales of video recorders have fallen sharply this year, an unexpected boom in colour TVs is slackening and home computers are near their peak.

Demand appears to be switching from home entertainment products towards household goods. "The real growth markets this year are microwave ovens and 'midi' hi-fi systems", says Mr David Gilbert, marketing manager at Dixons, the consumer electronics retailer, which is bidding for its major rival Currys.

AGB, the market research company, confirms that microwave ovens have become one of the best selling lines this year. It estimates sales of microwaves will have doubled this year to nearly 1m units. Demand for white goods such as tumble driers is also starting to rise, partly a result of the wet autumn.

The consumer electronics market is dominated by TVs and video recorders which account for about two thirds of sales. New products such as Compact Disc record players have yet to have significant impact on the market despite growing consumer enthusiasm.

The fall in demand for video recorders was not unexpected, although few had thought it would be as sharp as it turned out. At one stage last year, Britain was buying more videos than the U.S. and had more per household than Japan. Britain's love of video had been greatly boosted by the extensive rental system in this country. Other factors included the qality of broadcast programmes combined with a limited number of TV channels.

However, the rental companies came close to panic earlier this year when the number of videos being returned equalled the number of new customers. Since the summer both rental and sales have picked up. Mr Bill Andrewes, managing director of Granada TV Rentals, says: "People who brought their videos back in April may be rehiring them. There is a growing feeling that video does not have a hold on people in the summer."

The colour TV market has been surprisingly strong until recently. In recent years sales of colour TVs have exceeded the "Barber Boom" peak of the early 1970s. This year they are expected to reach at least 3.25m compared with last year's record 3.3m. There are some conflicting views, but the trend appears to be downwards. There is no doubt that sales of large colour TVs have been in decline since the middle of last year.

The boom has largely been in small colour TVs. These are being bought for the bedroom, for second homes and caravans, and for using with home computers and video recorders. Prices of small TVs have fallen and at one stage a few 14 in colour sets were on sale at £149.99. "No one is making any money in small-screen TVs," says Mr Alan Sugar, managing director of Amstrad. "They are being sold as loss leaders."

However, there are rumours that small-screen colour TVs may be in short supply this Christmas. Thorn EMI, the largest UK television company, denies it had cut production of small TVs because of fears that the market was turning down. But Mr Johnson at Rumbelows says: "If you don't buy one in the next two weeks there won't be any left."

Sir Clive Sinclair is still very enthusiastic about the potential for the pocket television produced by his company Sinclair Research. After extensive delays, the first of the tiny £100 black-and-white TVs were delivered a few days before last Christmas. Supplies are still very limited, but Sir Clive says by 1986 the company will be producing 1m a year. "By the middle of next year we will be making more than all the Japanese companies put together—and if that sounds aggressive, it is," he says.

The decline in the video market has meant there is more money available to be spent on hi-fi equipment. Sales of midi-systems are reasonably strong. Japanese manufacturers such as Sony, Aiwa and Technics (Matsushita) dominate the mid-range hi-fi systems which cost between £300 and £800. British companies like Amstrad and Fidelity have a strong position in the very-low-cost rack systems, which sell at below £200.

Demand for Compact Discs has begun to pick up following price cuts. When Compact Disc was launched in February 1983 the cheapest player was £499 but there are now several models at £299. Philips, the Dutch electrical group which developed the system with Sony of Japan, is doing particularly well in Compact Disc. Its products are generally cheaper than its Japanese competitors and it has a better reputation for sound quality.

But sales of Compact Disc players are still very small—probably less than 40,000 units this year. Nor does anyone believe it will become the growth product of 1985 to make up for the fall in other consumer electronic products. But one retailer commented: "We start complaining when sales fall but demand for consumer electronics is still far higher than it was four years ago."

PERSONAL COMPUTERS

Finally, the spending has started

AT LAST the waiting is over. Britain's home computer industry, which normally depends on the three-month run-up to Christmas for half its annual sales, is finally seeing sings of this much-anticipated seasonal spending spree.

At the end of a year in which everyone has been getting very nervous about the slow take-off in demand, this will come as a welcome relief for the major manufacturers. But while the general expectation is that demand in the last quarter will be at least as good as last year, and quite possibly better, longer-term worries continue to hang over the industry.

This erratic and mercurial business is haunted by fears that the home computer will turn out to be a fad which will go the same way as skate boards and hula-hoops.

Also Britain has far more computers per head of population than any other country and many question whether the market is neering saturation.

It is wildly acknowledged that market will be flat next year, and the general expectation is that several smaller computer and software companies and magazines will fail.

The major retailers — such as Dixons, WH Smith and Boots —report that demand will be at least as good as last year and quite possibly better. But they also say the business is not as exciting as it was. Mr John Rowland, computer buyer at WH Smith, says: "There is still quite a lot of interest but there is nothing like the excitement of previous years when there was an almost manic demand.

But the irrepressible Sir Clive Sinclair has no doubts. "Our sales are miles up. We are shipping as much as we can and not meeting the demand."

The more reticent Mr Chris Curry, joint managing director of Acorn, which produces the BBC and Electron computers, is not surprised at the slow initial demand this Christmas. "Last year both the distributors and the customers knew there was going to be a shortage and were rushing to buy the products they wanted. This year its very much the opposite and consumers are waiting to see if there are any price cuts."

For the last two years, the best-selling products such as the Sinclair Spectrum and the Acorn have bein in very short supply and stocks have run out in mid-December. The shortages created demand for other products and kept some of the smaller companies in business. But this year the leading companies have had to promote their wares like any other consumer electronics item.

Commodore, the most successful U.S. home computer company, is thought to be spending over £6m on promotion this autumn. Sinclair Research is spending £4m, and Acorn has recently started a £4.5m pre-Christmas campaign using the comedian, Stanley Baxter.

Despite the more optimistic mood some retailers are still anxious. "If the consumer holds back, how much do we commit to stock?" asks Mr Peter Frost at Boots. "We are walking a tightrope. The only thing you can be sure is that we will get it wrong. The question is how wrong."

Promotion is doubly important this year as there are market. Of the traditional fewer new product on the market leaders, anl Commodore has launched genuinely new products and even it is promoting an old model (Commodore 64) heavily. Sinclair has repackaged the best selling Spectrum but the changes are largely cosmetic and the main improvement is a better keyboard. The more expensive QL has so far failed to attract wide appeal.

By far the most exciting new entry int othe market has come from Amstrad, the British consumer electronics group best known for its cheap audio equipment. Amstrad developed its computers with remarkable speed—given that this industry is renowned for the delays and hitches in new products. "We find it rather difficult to comprehend why people make statements about their new products and then do not deliver," says ebullient Mr Alan Sugar, chief executive of Amstrad.

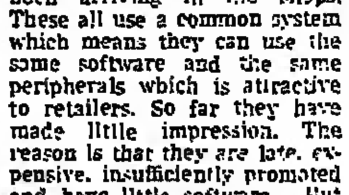
There is a limited trend towards more expensive machines such as Amstrad, the Acorn BBC computer and the Sinclair QL and for people to buy more peripheral equipment such as printers and disc drives.

The market is beginning to change ni other ways. Acorn's new advertising campaign is aimed far more at skilled and manual workers group. This is partly because its products are now available through the mass market retailers like Dixons and Rumbelows but also because most buyers to date have been the middle-class ABs.

TOP TEN SELLERS (below £1,000)

1	Commodore 64	(£199)
2	Sinclair Spectrum	(£125)
3	BBC B	(£399)
4	Amstrad	(£330)
5	Electron	(£199)
6	Vic 20	(£140)
7	Atari 800 XL	(£157)
8	Oric	(£99)
9	Memotech	(£199)
10	Einstein	(£497)

Figures correct up to November 3
Source: Personal Computer News

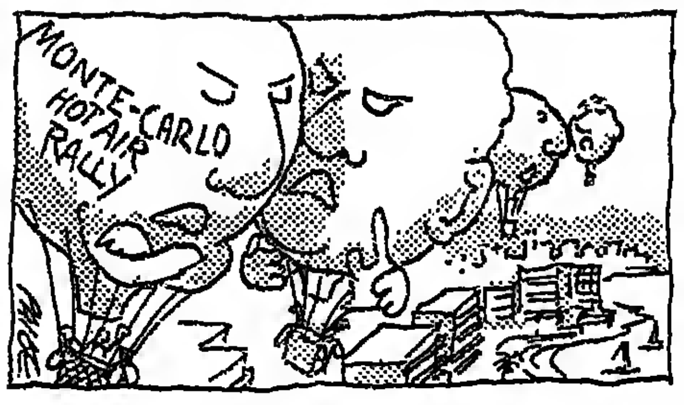


The leading British companies are all looking overseas for growth next year. Other European markets are beginning to show a strong interest in home computers particularly West Germany, France, Italy and Spain.

The other concern for the British manufacturers next year is the Japanese. In the last few weeks the first wave of MSX computers from Japan have been arriving in the shops. These all use a common system which means they can use the same software and the same peripherals which is attractive to retailers. So far they have made little impression. The reason is that they are late, expensive, insufficiently promoted and have little software. But next year they may be a greater threat.

Weekend Brief

High stakes in Monaco



The decision of the Paris-based International Auto Sports Federation (FISA) to cancel next year the Monaco Grand Prix and the Monte-Carlo Rally—two of the world's oldest and most prestigious car races—is rapidly turning the otherwise harmonious relations between France and the small principality of Monaco.

"Everybody is devastated here, from the Prince to the waiters in the cafes," remarked a member of the ruling Grimaldi family of Monaco after an effort by the French government to resolve the dispute between Monaco and M Jean-Marie Balestre, the all powerful French president of FISA, collapsed this week.

For Monaco the stakes are high. "If the two races are scrapped next year, it will be an economic disaster for Monaco and the surrounding region equivalent to the disaster caused to Brittany by the sinking of the Amoco-Cadiz oil tanker a few years ago," says M Rene Isoard, the official of the Automobile Club de Monaco (AMC) in charge of the rally, which was first run in 1911, and the grand prix which goes back to 1929.

But the stakes are also high for the French car industry, which is currently struggling to come out of one of its worst slumps in its history. For the car makers, the rally is more important than the grand prix because of its broader impact on marketing and image.

But mounting pressure from the manufacturers and the French Government's efforts at reconciliation have so far failed to move M Balestre, who heads not only the FISA, but also the French auto sports association (FFSA) and the International Automobile Federation (FIA) all of which are based in Paris. Indeed, the deadlock has grown to the extent that Monaco is now threatened with expulsion from the FIA.

The current conict centres on two separate issues. The first involves a long standing dispute between Monaco and the FISA on the television rights for the grand prix race. The FISA has acused Monaco of breaking its regulations by signing without its approval a television contract with ABC, the U.S. network. Monaco argues that it has a long standing relationship with ABC and that in any case it reached an agreement on the issue last January with Mr Bernie Ecclestone, the president of the Formula One Constructors Association (FOCA), who has been delegated by the federation to negotiate all television rights. The federation does not accept this agreement and Monaco has taken it to court. In retaliation the federation has cancelled the grand prix from the world championship.

However, the television controversy is not essentially a financial issue. Monaco's real interest is the quality of coverage ABC gives the grand prix as this is a major means of promoting the principality in America.

The dispute over the rally involves the French federation which docided to impose a FFr 1m (£88,200) levy on Monaco for the use of French roads for next year's rally. Monaco regards this levy as totally arbitrary and complains that the French federation has refused to pass on its objections to the French Interior Ministry. Having failed to settle the issue, Monaco has now taken the case to the Conseil d'Etat, the leading French judicial body.

The view of many specialists in the motor-racing business is that the conflicts are the climax of deteriorating and increasingly bitter relations between M Balestra and the Automobile Club of Monaco. M Balestre has always been a controversial figure. A close business aid of M Robert Hersant, the French magnate and owner of the right-wing Le Figaro, M Balestre is known for his abrasive and authoritarian management style. He also rules over all the major motor federations. "We think it is dangerous when so much power is concentrated in one hand and when the federations continuously seek to extend their powers," remarked a Monaco official.

Although Monaco could still hold its races next year outside the federation's umbrella, they would clearly not carry the same impact. "It is not the same thing if the races are not part of the world championship events. Also few Formula One racing drivers would risk disqualification by the FISA if they raced in Monaco," another Monaco official remarked. However, Monaco is still hoping, in the words of the same official, "in a miracle." Ultimately, Prince Rainier himself will probably have to decide. The question will be whether to give in to M. Balestre with a compromise or to fight and take the issue up to President Mitterrand.

Dial-a-striker

Sir Michael Edwardes in his days as chairman of BL might have pioneered the tactic of bypassing obstructive stewards and appealing direct to the work force. But Austin Rover, the volume car company, broke new ground in encouraging the collapse this week of the strike by its 28,000 manual workers.

Teams of foremen took to the telephone, dialling through the day to strikers at Cowley, Oxford and Longbridge, Birmingham, urging a return to work. Many strikers not on the telephone heard a rap on the door, to be confronted with the foreman.

This latest development, in addition to the now-familiar stream of letters to the homes of workers, has prompted an outcry from the defeated shop stewards. They complain of "management intimidation" and "poison propaganda."

Not o, says Mr Peter Baillie, the corporate affairs director: "We were merly communicating effectively. There was an information vacuum caused by the fact that shop stewards were not consulting. There was no leadership. Employes were just sitting at home not knowing what was going on.

But what of the complaints that strikers were told that, unless they return, there would be no job waiting? "Oh, no, nothing as brutal as that," Mr Baillie retorts. "We merely pointed out that the longer the strike continued the less secure would be the job opportunities."

Austin Rover has long recognised that the value of the letter to the home is that it involves "the lady of the house" in the discussion. Similarly, with the telephone calls and visits, in the absence of the husband, the message was conveyed to the wife.

Mr Baillie says the personal contact made by the foremen was a key factor in accelerating the return to work. It adds a new dimension to what is already a highly sophisticated communications programme used by the company in the event of a strike.

Letters have been rushed out to workers' homes timed to have maximum effect at each delicate stage of the dispute. The theme has been relentless:t he offer was final; it would not be improved by a strike; investment and jobs were being placed at risk.

The ace of diamonds

A little thrill of excitement rustled through the diamond world this week at the news that the fourth largest rought (uncut) diamond ever found has been acquired by the U.S. Zale Corporation retail jewellery giant.

It weighs 890 carats, which is big by any diamond standards but not so large as the famous Cullinan stone found at De Beers' Premier mine in South Africa back in 1905. This, the biggest ever, weighed in at an awesome 3,106 carats, or about 1¼ lb, and was presented by the Transveal Government to King Edward VII on his 66th birthday.

The Zale diamond is surrounded by a suitable air of mystery, appreciated in the diamond trade. Zale is not saying where the stone was found or what price was paid for it. Nor has the seller been disclosed; it does not seem that the diamond passed through the De Beers Central Selling Organisation, the syndicate which controls the marketing of over 80 per cent of the world's newly mined diamond output.

The stone is said to be flawless and of a rare "fancy" colour classification: richer and more lustrous than the normal diamond colourings. It's value? Guesses are that any bidding would start at about $1m and go on up.

But Zale, of Wichita Falls, Texas, on the outskirts of Dallas (where else?) is not selling. The prize celebrates the firm's 60th anniversary and it is to be cut and polished and then put on display in all its glory at the Smithsonian Institution in Washington.

This will take some 18 months of study, care, effort and, probably, anguish. At the end of it, Zale says that it may have the largest polished diamond the world has ever seen, despite the fact that it is not the biggest in rough form. The trade, however, is not so sure.

Such hopes were held out for the 968.80 carat Star of Sierra Leone in 1972 but when this stone was cut it shattered into pieces. The pieces were later fashioned into fine quality polished diamonds but their value was far short of what it would have been if the stone had been neatly cleaved into, say, one large and one small piece; other things being equal it is size that makes magnificence in diamonds.

The trouble with diamonds is that while they are about the hardest substance known, they can be brittle and they can contain a wood-like grain that is very difficult to detect. A rough stone's shape and possible imperfections, means that over 50 per cent of it tends to have been lost when it finally emerges as a finished gem.

The trick is thus to minimise this loss and, particularly in the cases of the larger stones, this will have a bearing on whether the rough diamond is to be cut into the popular round brilliant shape, or pear shape or perhaps the rectangular baguette or oval marquise.

There are two ways of cutting a diamond into the desired shape: the long and laborious process of sawing or the more daring and quicker process of cleaving (splitting) the rough stone along its natural grain.

Always at the back of his mind is the awful thought that just one mistake could reduce a rare and highly valuable article to something he would not care to think about. The cutting decision has yet to be taken for the Zale diamond and there must be quite a few people who shudder at the mention of the word. "priceless."

Contributors

Paul Betts
Kenneth Marston
Arthur Smith

Chloride expects 'steady progress'

Chloride Group, headed by Sir Michael Edwardes, has turned in higher first half taxable profits of £5.4m, against £3.1m, and expects to continue to make "modest but steady progress."

Sir Michael says the progress was mainly due to efficiency improvements since "severe competition" continued to put pressure on profit margins in many of Chloride's businesses, particularly in some of its major automotive battery markets.

In view of the results, Chloride is taking the opportunity to clear up part of the 6.74 per cent of arrears on the 7.5 per cent cumulative convertible preference shares.

The company has declared a dividend of 3.75 per cent in respect of the period August 1, 1981, to June 30, 1982. The balance, amounting to 2.99 per cent, together with the half yearly dividends due from June 30, 1982 to June 30, 1984 continues to be deferred, as is the payment due on December 31 next.

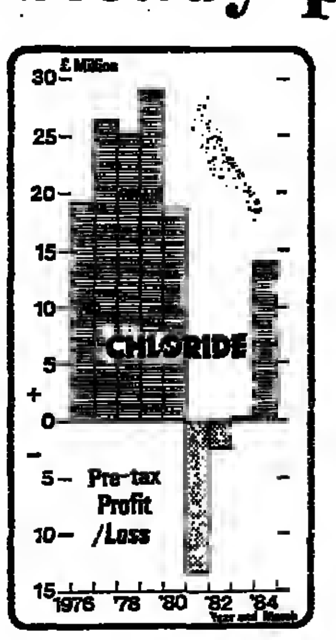
The last payment made on the ordinary shares was a final of 2.5p in respect of the 1979/80 year.

Group turnover for the six months to September 30, 1984 was 13.6 per cent higher at £192.6m compared with £169.3m, which excludes £7.4m attributable to divested operations.

This generated operating profits of £10.6m (£9.3m or £9.9m including divestments). The taxable result was struck after interest payable of £5.3m (£5m) — there was an exceptional debit of £1.8m last time.

Profits of Chloride's European region, while still far from satisfactory, showed a "marked improvement" over the same period of 1983-84. Chloride Overseas produced another satisfactory result, says Sir Michael.

American operations had a disappointing half-year, reflecting, in the main, fierce competition in the mass automotive battery sector. Market share was held, but with lower selling prices and reduced profit margins.



In addition, the scaling up of output to meet high customer demand in America for the recombination automotive battery is proving to be rather more protracted and costly than expected. This is the price of progress, Sir Michael says, but the board remains confident that these difficulties will be resolved.

Chloride's tax bill for the six months amounted to £5.1m (£4.7m) and again arose entirely overseas. This left the net result at £0.3m (loss £1.6m), and after minorities there was an attributable deficit of £0.9m (£2.6m).

Dr Maurice Gillibrand, chairman of Chloride shareholders' action group, said after the results announcement "we are appalled that there is a continuing loss of £0.9m attributable to ordinary shareholders. In view of the performance of Lucas, the claims for improved efficiency are not convincing."

In the last full year, Chloride recorded an attributable profit, amounting to £2.6m, for the first time in four years.

See Lex

Hill Samuel new life drops 16% midway

The withdrawal of Life Assurance Premium Relief (LAPR) in this year's Budget has made a severe dent in the new life business of Hill Samuel Life Assurance, the life company arm of the Hill Samuel Group.

In the first six months to September 30, of its current financial year, new life premiums fell 16 per cent from £3.95m to £3.31m, with a 21 per cent decline in the second quarter of the financial year from £2.19m to £1.72m.

Single premium life and annuity business improved only 4 per cent over the six month period from £18.4m to £19.2m. Linked life sales rose 30 per cent to £13.1m to £17m, but this rise was almost swallowed up by a considerable drop in temporary annuity sales.

In contrast, the company experienced a tremendous increase in sales of personal pension policies for the self-employed and others in non-pensionable employment in a very buoyant market. Both regular and single premium sales rose by more than 70 per cent to £126,000 and £370,000 repectively.

These results from Hill Samuel Life are much in line with the overall experience of the UK life assurance industry. Life business fell significantly in the third quarter of the calendar year because of the ending of LAPR, offset by a substantial rise in self-employed pension sales.

Dixons holds 42% of Currys

BY CHARLES BATCHELOR

THE £242m takeover battle between Dixons and Currys, the rival High Street electrical retailers is set to continue for another week after Dixons increased its stake to just 42.3 per cent by yesterday's first closing date.

Dixons won acceptances from the holders of 31.4 per cent of Currys' equity to take its total stake — together with the 10.9 per cent it already held — to 42.3 per cent.

With both sides claiming victory from yesterday's result the next few days are expected to see an intense lobbying campaign of institutional and other shareholders.

Dixon's shares rose 7p yesterday to 409p to put a value of 519p per share on its offer — 14p higher than Curry's unchanged closing price of 505p.

Morgan Grenfell said it intends to complain to the Takeover Panel about the wording of last night's statement from S. G. Warburg which, it said, implied that Dixon's entire stake amounted to only 31.4 per cent.

Dixons has won acceptances from the confirmed holders of 26.5 per cent of Currys' shares and from the holders of a further 4.9 per cent stake, who have bought their shares during the course of the bid, and still have to be formally registered.

In addition the holders of 62 per cent of the preference shares have also accepted.

Dixons has extended its bid to next Friday though further continuations could be made up to the final deadline of December 16. The cash alternative will in no circumstances be extended beyond December 7.

Mr Stanley Kalms, chairman and chief executive of Dixons, said: "We are chuffed. A tremendous percentage of acceptances have come in. There is solid institutional support for our bid and we are very, very pleased. I think the rest will come in quite quickly." Mr Terry Curry, joint managing director of Currys, was equally delighted that Dixons had not reached 50 per cent. "Two or three weeks ago the market would have said that this could not have happened. I believe sentiment is swinging in our direction. Time is on our side."

Two Grovebell directors resign

BY ALEXANDER NICOLL

Mr Vasant Advani's Grovebell Group, which had its bid for Atlanta Investment Trust temporarily blocked by an injunction against Grovebell's brokers, yesetrday posted its formal offer document to Atlanta shareholders.

An element of controversy was removed from Grovebell as two recently appointed directors, Mr John Bishop and Mr Michael Baker-Harber, resigned from the board. Arrangements are being made to place the 11 per cent holding they had acquired in Grovebell, and an option to buy a further 11 per cent has been cancelled.

Mr Advani is seeking to expand Grovebell, a motor trading, medical equipment and financial services group, through the acquisition of Atlanta's fund management services and the liquidation of most of its investment portfolios. The proceeds would be spent on further acquisitions.

Terms of the £5.1m bid are 17 Grovebell shares—which ended yesterday unchanged at 15½p—for two Atlanta shares, which ended down 1p at 132p. The share offer values Atlanta shares at 131½p each, and there is a cash alternative of 127.5p each underwritten by brokers Statham Duff Stoop.

For each Atlanta preference share, Grovebell is offering one new preference share.

Statham had previously been Atlanta's brokers, and Atlanta took out an injunction against Statham seeking to prevent it from acting for Grovebell. The High Court, however, allowed Statham to act for Grovebell.

Dee advances 40% to £17m

Dee Corporation, the fast growing food retail group, pushed first half taxable profits up by nearly 40 per cent from a restated £12.24m to £17.07m and has raised the interim dividend by 0.5p to 2.25p.

The profit increase was achieved on turnover ahead by £165.27m at £852.77m. All major trading divisions performed well, the directors state, in spite of the miners' strike.

The second half is traditionally stronger, producing £16.07m last year, and the directors are confident of making further progress.

Group trading profits for the 28 weeks to November 10 1984 amounted to £18.88m (£13.9m) and broke down as to supermarkets £15.03m (£11.61m); hypermarkets £3.1m (£1.88m); cash and carry UK £1.16m (£0.63m) and Pidou nil (£46,000); Spain £0.53m (£0.35m)—central costs totalled £0.93m (£0.61m).

Earnings per share were stated as 5.8p (4.1p) after tax of £3.15m (£2.79m).

Piccadilly Radio ahead of forecast with £441,000

Piccadilly Radio, the IBA appointed independent radio contractor for Greater Manchester, turned in higher pre-tax profits of £441,000 for the year ended September 30 1984. This was 2.8 per cent ahead of last year's £429,000 and 14.5 per cent more than the forecast of £385,000 in the June prospectus.

Turnover of this USM company was virtually unchaned at £4.33mg, against £4.34m which included £54,723 relating to a former subsidiary. Operating profits were up 8.6 per cent at £962,000 (£886,000), but an increase from £550,000 to £596,000 in IBA rentals and Government Levy have partially eroded the benefit derived from this figure.

A final dividend of 2p per "A" ordinary share and 1p per ordinary non-voting share makes a total of 3.754p and 1.8725p respectively—in line with the forecast in the prospectus.

Earnings before extraordinary items were shown as 4.4p (adjusted 4p) per 10p "A" ordinary share and as 2.2p (adjusted 2p) per 5p ordinary non-voting share.

Mr Norman Quick, the chairman, says a number of factors give the board confidence and optimism. These include the continuing strength in trading and profitability of the radio station, which has been given a boost by the increasingly commercial attitude of the IBA

Glanfield bid hits problems

A second attempt by Gregory Securities, the investment group, to take over Glanfield Lawrence, the motor distributor, has run into difficulties.

Glanfield's shares were suspended from trading at 52p on the Stock Exchange yesterday at the company's own request after it emerged that it was likely to have to revise downwards for a second time its 1984 profits forecast.

The takeover Panel agreed to let Gregory, which is headed by Queens Park Rangers' chairman Mr Jim Gregory, to miss yesterday's deadline for sending out its offer document for Glanfield.

Glanfield originally forecast that 1984 pre-tax profits would exceed £250,000 but at the end of last month revised this forecast to less than £250,000.

FII makes £1.9m rights for Welsh expansion

By Robin Reeves

Fiona Footwear, a subsidiary of the FII group, yesterday announced a £4.4m project to reorganise and expand footwear manufacturing operations in Bridgend, South Wales.

The project, which is being financed in part by a £1.9m rights issue by FII, involves the relocation of production from three of Fiona's four existing Bridgend units into a new, 117,000-sq-ft, custom-built factory on a freehold site acquired from the Welsh Development Agency.

The Welsh Office has contributed just over £1m towards the cost and a loan from the European Coal and Steel Community is being negotiated.

The move will allow Fiona, which has expanded output of women's footwear by 80 per cent in the last four years, to increase production by a further 30 per cent.

The new factory is due to come on stream in mid-1986, creating 150 new jobs. The company employs 500 in South Wales.

Fiona's main customer is Marks & Spencer, but it also supplies mail-order houses and other footwear retail outlets.

FII is offering shareholders four 7.7 per cent convertible cumulative redeemable preference shares 1995-99 of £1 for every nine ordinary shares held. The preference shares, issued at par, will be convertible at a conversion price of 225p per ordinary share.

Charterhouse Japhet has underwritten the rights issue and the brokers are Simon and Coates.

FII, which also makes laboratory equipment, last month reported record pre-tax profits of £1.21m, on turnover of £12.41m for the year to the end of May. FII shares rose 10p to 202p yesterday.

Wedgwood touches £6m halfway and pays 2.75p

CONTINUING the progress which led Wedgwood to produce record pre-tax profits of £10.6m in the last full year, profits for the first half have more than doubled from £2.86m to £5.95m. The interim dividend for the 26 weeks to the end of September 1984 has been lifted from 2.25p to 2.75p.

In the last full year a total dividend of 5.75p was paid by this manufacturer of bone china and earthenware. First half earnings per share are shown as moving up sharply from 4p to 8.8p.

The better trading conditions which were experienced in the second half of the last financial year have "improved further" in the current year, say the directors.

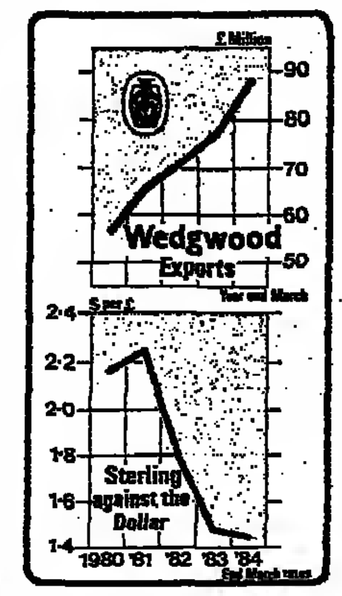
North American operations continue to perform well, the directors say, and have taken some advantage from the strong dollar despite the "very competitive" conditions prevailing there.

The newly established Wedgwood Japan is still making good progress and there are recent signs of more activity in Europe led by Italy and Holland.

Business in Australia is also growing stronger although the factory there, while showing reduced losses, is still not trading satisfactorily.

Sales in the home market, helped by the boost in tourism, remain good despite the shadow cast over the national economy by conflict in other industries.

The increase in turnover of just under 10 per cent from £63.04m to £68.88m would have been greater, they say, but for



a reduction in sales of Franciscan in the course of transferring production of that range of products from California to a factory in this country.

The directors say that the profit improvement resulted not only from a higher volume of sales, generated partly by a larger input of new designs, but also greater productivity in the factories through continuing introduction of new methods and processes. Further benefit was derived fro mthe closure of the loss-making Francisan factory.

A £1m development has begun at the group's creative tableware division, incorporating the Johnson Brothers, J. and G. Meakin, and Unicorn Tableware brand names. This will involve the improvement and reorganisation of production as well as the establishment of one site of a new warehousing and despatch unit for the division.

● comment

Wedgwood yesterday poured out another round of last year's recovery cocktail, the recipe being a strong dollar spiced with UK productivity gains. The City was, however, pleasantly surprised by the strength of the brew and pushed up the shares by 10p to 189p. Prices were held in a competitive U.S. market, accounting for around 30 per cent of group sales, but volume increases were directly reflected in operating margins—up from 6.2 per cent to 9.1 per cent for the group — thanks to Wedgwood's high proportion of fixed labour costs and the benefits of earlier heavy capital investment. Significant, though unquantified, loss elimination came from the closure of the Franciscan factory, while predictably buoyant sales to the UK tourist industry and a halving in interest payments did the rest. Australia remains a thorn in the group's side, and sterling's strength against the D-Mark makes the German market difficult to crack, inviting the question of how Wedgwood will perform if the dollar moves against it. For this year at any rate, the market is looking for a pre-tax out-turn of around £14m, which puts the shares on a prospective multiple of nearly nine for a 4.8 per cent yield.

GUS expects improvement in first half

Pre-tax profits for the first six months of the current year at Great Universal Stores should show an improvement over last year's corresponding figure of £92.2m, Sir Leonard Wolfson, the chairman, told the annual meeting.

For the whole of the previous year, ended March 31 1984, the group, which has interests in catalogue and telephone shopping and multiple retail trading, made record profits of £226.5m (£201.4m).

The chairman said the company continued to invest in advanced computer and telephone systems and had an ongoing programme to improve merchandise and marketing techniques, streamline costs and maximise cash flow.

The modernisation of retail shops and the expansion of the international Burberry/Scotch House stores and export divisions was progressing.

Further development had been accomplished in the provision of information technology, which would enable the group to offer an extended range of business services. Income derived from consumer and investment finance and from property were providing a good contribution to profit.

Sir Leonard said the group's policy was to invest in the future. GUS sought growth in the diversified consumer areas in which it operated, both at home and overseas, wherever a fair return on capital could be achieved. The primary objective remained to improve both earnings and net asset value per share.

C. H. Beazer's war of attrition

BY RAY MAUGHAN

C. H. Beazer (Holdings), the Bath-based construction, property and househuilding group, yesterday launched what the stock market currently sees as the first formal stage of a long war of attrition against Bath & Portland (B & P).

Beazer's bid for B & P reaches its first closing date on December 14 but its terms presently value each B & P share at just under 241p, taking Beazer at 372p, down 2p, against a closing market price of 282p.

Mr Beazer yesterday highlighted the persistent extraordinary items incurred by B & P.

In his review of 1982/83, Mr David Macdonald, the chairman of B & P, disclosed losses of £1.4m applicable to the civil engineering division for the previous year. The accounts for 1982/83 revealed unconnected extraordinary losses after taxation of £1.5m while the interim report for the 1983/84 year, showed that a further £318,000 was charged.

The final cost of the sale of the Marples Ridgway civil engineering operations in August last year "will not be ascertainable until 1985 at the earliest," Mr Beazer pointed out, "and will depend on contract settlements."

Mr Macdonald, taking his cue from B & P's share price performance, was convinced that Beazer would have to make a substantially higher offer to gain control. "This is just the same old bid," he said, "it was inadequate before and it is inadequate now."

Beazer had pointed out that its terms give a 90 per cent plus premium on published net worth, although the market had been led to expect a substantial revaluation of B & P's mineral assets to show at least 250p per share. And it was possible that the defence would consider some of the informal offers it had already received for this side of the business.

Beazer, too, had received some expression of interest in B & P's mineral assets, should the bid succeed, but Mr Beazer was adamant that each part of B & P's structure would make a good fit with his own company.

ICL takes full control of Baric

BY JASON CRISP

Barclays Bank has sold its 40 per cent stake in Baric Computing Services to ICL, the computer group which held the other 60 per cent. In turn ICL has reached agreement with Computer Management Group (CMG) to sell it Baric's batch processing business.

Baric was set up by Barclays and ICL in 1970 as a computer bureau specialising in batch processing work such as providing payroll services for small companies. For the last three years Baric's dependence on batch processing has been falling. It represented £6.5m of its £14.6m turnover in the year to September 30 1983. Batch processing work has been declining because many companies now do the work on their own micro or personal computers. The transfer of batch processing business to CMG will take place in January 1985.

The sale by Barclays is in line with a growing trend for large companies to sell off their computer services subsidiaries. Earlier this month Unilever sold its computer services company. National Westminster is now the only major clearing bank with a computer services company, Centrefile.

ICL said that Baric had become its flagship for entering into the fast growing market for Value Added Network Services. It said it was selling the batch processing business in order to give Baric a clear identity and focus in its chosen markets. CMG, which has a turnover of about £27m, is particularly attracted by Baric's customer basa of 1,300 clients.

Mr Geoff Phelps, general manager with responsibility for CMG's UK bureau business, said: "We have been pursuing a policy of growth in computing services and the opportunity to acquire this part of Baric's business is a logical step in our expansion. These lines of business are complementary to those of CMG and dovetail neatly into our existing customer base."

No price has been disclosed for either the 40 per cent stake being bought by ICL or the batch processing business being purchased by CMG.

Hoskins & Horton

Hoskins & Horton is holding discussions with a third party, which its says is likely to lead to an offer being made for the company.

Such an offer, if made, will include a full cash bid at a higher level than the Scottish Heritable Trust's cash alternative. Present indications are that the cash price of the offer will ba 265p per share.

A further announcement is expected very shortly. In the meantime, the board strongly advises shareholders to take no action on tha Scottish Heritable offer.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Food retailer Dee Corporation continued its rapid expansion this week by acquiring International Stores from BAT Industries for £180m. Dee placed 113m new shares at 160p with institutions to finance the deal which comes half way through the Monopolies Commission's investigation into the group's £236m bid for agricultural and food distribution concern, Booker McConnell. In light of its latest hefty purchase, Dee states that it is unlikely to renew its bid for Booker even if it is given the go-ahead.

Hazlewood Foods, as well as revealing excellent interim results on Wednesday, also announced its second major acquisition of the current financial year with a shares and cash purchase worth £13.4m of Knights European Food Group, a privately-owned food importer, manufacturer and distributor. Five months ago, Hazlewood bought F. H. Lee, a paper products manufacturer, for £8.35m.

Paper products concern David S. Smith made an agreed share exchange bid for Western Board Mills, which makes board from waste paper. The three-for-one share swop terms value Western at £13.5m and have already been accepted by shareholders representing 75 per cent of the Western equity.

USM-quoted plastic sheet distribution and consumer products concern Hartons Group launched an agreed cash and shares offer worth nearly £8m for the fully-listed Duflex PVC foam manufacturer, Elson and Robbins. Terms are three Hartons shares plus 16p cash for every two E & R shares and holders of 19.1 per cent of Elson's equity intend accepting, including tha directors with 6.25 per cent. Hartons has already applied for a full Stock Exchange listing.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Advance Services	112½	113	123	6.34	BET
Anglo-Scot Inv	¶¶	158	156	¶¶	Japan Assets
Atlanta Inv	127½	132	91	5.11	Grovebell
Bath & Portland	241§ §§	282	225	38.34	Beazer (C. H.)
BPM 'A'	167½*§	165	128	1.13	Yattendon Inv Tst
BPM 'B'	162½*§	158	128	8.76	Yattendon Inv Tst
Bridgewater Ests¶	335‡§	322	280	18.09	Peel Holdings
Cullen's Strs Ord	410†	440	435	4.10	Aromaglade
Cullen's Strs 'A'	320*	340	330	3.20	Aromaglade
Cullen's Strs Ord	375*	440	365††	3.75	Cullen's Hldgs
Cullen's Strs 'A'	275*	340	260††	2.75	Cullen's Hldgs
Cullen's Strs Ord	420†	440	435	4.20	St Pauls
Cullen's Strs 'A'	305*	340	330	3.05	St Pauls
Currys	519‡§	505	311	241.74	Dixons
East Lancs Paper	85‡§	93	00	3.64	British Syphon
Elson & Robbins	80‡§	78	63	7.92	Hartons Group
Glanfield Lawrce	49½*§	52††	49	3.60	Gregory Secs
Gordon & Gotch	140*	140	122	6.40	Hrld & Wkly Tms
Harrison, T. C.	74*	70	49	16.7	Harrison, T.C. Grp

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Hoskins & Horton	267§ §§	268	188	5.16	Scottish Heritable
Johnsn Grp Clnrs	410*	449	362	44.41	Nottingham Mftg
Kent (M. P.)§	80§§	77	67	34.32	Beazer (C. H.)
Reliance Ind	37½	36	35	2.94	Corah
Romai Tea	£10*§	£11	530	1.95	Williamson
Waddington (J.)	500*§	520	463	33.49	BPCC
Websters Group	139½§§	138	90	17.53	Octopus Publsbg
Western Brd Mills	300	290	220	15.87	Smith (David S.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on November 23 1984. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Akroyd & Smithrs	Sept	9,400	(16,090)	26.4	(51.9)	16.5	(16.5)
Barton Trans	Sept	350	(139)	58.3	(22.4)	16.0	(8.0)
Concentric	Sept	884	(856)	—	(—)	3.46	(3.31)
Diploma	Sept	16,300	(9,400)	30.5	(22.8)	10.0	(7.5)
G. R. Hldgs	June	1,710	(1,720)	24.2	(27.9)	7.0	(7.0)
Hardanger Props	Sept	2,030	(1,530)	31.5	(15.3)	9.8	(9.8)
Higsons Brew	Sept	27,900	(27,800)	12.94	(15.4)	3.55	(3.45)
Hoggett Bowers	Aug	639	(114)	7.2	(2.0)	—	(—)
Lowable	Mar	172	(371)	—	(—)	—	(—)
MMT Computing	Aug	355	(201)	—	(—)	3.25	(1.68)
Stocklake Hldgs	Mar	3,550	(4,250)	43.3	(46.4)	9.0	(9.0)
Swindon Priv Hsp	July	136L	(56)	—	(—)	—	(—)

Rights Issues

Berkeley and Hay Hill Investments—£1.7m rights issue at 10p per share on a four for seven basis.

British Assets Trust—To raise £9.3m through a rights issue.

Offers for sale, placings and introductions

British Telecom—Offer for sale of 3bn shares at 130p per share.

Kingsley and Forester—Full listing through a placing of 3,064,516 shares to raise £1.5m after expenses.

Penny and Giles International—Coming to USM via a placing

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Ang Nordic Hldg	Sept	222	(—)	0.4	(—)
Assoc. Heat Serv	Sept	1,190	(1,450)	2.3	(3.3)
Bardon Hill Grp	Sept	3,120	(3,000)	0.82	(0.7)
BE Tomlins Srv	Sept	905	(981)L	1.0	(1.0)
Black Arrow Grp	Sept	590	(420)	1.5	(1.25)
Boots	Sept	79,900	(65,100)	2.2	(2.0)
Bulgin, A. F.	July	208	(339)L	0.58	(0.58)
Bulmer & Lumb	Sept	528	(506)	1.65	(1.65)
Burnett & Hallam	Sept	2,450	(4,920)	4.0	(4.0)
Chamberin & Hill	Sept	213	(209)	1.4	(1.1)
Comtech	Sept	479L	(122)L	—	(—)
DDT	Sept	145	(92)	—	(—)
Dee Corp	Nov	17,040	(12,238)	2.25	(1.75)
EMAP	Oct	2,340	(2,100)	0.93	(0.77)
Extel	Sept	5,240	(5,160)	1.5	(1.6)
Feedex Agri	June	34	(235)	—	(0.6)
Forsbaw's Burt	Sept	1,410	(1,230)	2.5	(2.5)
French Kier	June	6,230	(5,650)	1.55	(1.45)
Gieves Group	July	370	(497)	1.0	(0.73)
HAT Group	Aug	4,330	(3,850)	1.8	(1.65)
Hazlewood Foods	Sept	2,130	(1,065)	5.5	(4.75)
Hdlam Sims Cogg	July	92	(152)	1.1	(1.1)
Heath C. E.	Sept	13,700	(9,310)	6.0	(5.25)
Hunter Saphir	Sept	963	(865)	0.7	(0.66)
Ivory & Sime	Oct	1,060	(966)	—	(—)
LMI	Sept	3,720	(2,170)	4.25	(3.5)
Lockyer, Thomas	Sept	1,050	(940)	0.38	(0.38)
LRC International	June	7,880	(7,030)	1.3	(1.15)
Marl Prop Hldgs	June	314	(191)L	0.2	(0.2)
Merryhow Wine	Sept	563	(363)	1.0	(1.0)
Metal Box	Sept	31,700	(30,300)	6.1	(5.8)
MK Electric	Sept	8,200	(7,600)	3.4	(3.2)
Parrish J. T.	July	333L	(54)L	—	(—)
Petrotex	June	1,260	(—)	—	(—)
Pitman	June	532	(536)	—	(—)
Powell Duffryn	Sept	6,050	(6,830)	5	(5.0)
Readicut Intl	Sept	903	(499)	0.15	(—)
RTD Group	Aug	3	(53)L	—	(—)
Scantronic Hldgs	Sept	303	(118)	0.7	(0.7)
Sheffield Brick	June	1	(129)L	—	(—)
Sketchley	Sept	5,180	(5,570)	4.3	(4.1)
Smallshaw, R.	June	150	(85)	0.75	(0.5)
Somic	Sept	11	(71)	—	(—)
Usher Walker	June	430	(387)	2.05	(1.7)
Walker & Staff	Sept	48	(110)	—	(—)
Whitbread	Sept	57,600	(50,000)	2.0	(1.85)
Whittington Eng	Sept	17	(14)	1.4	(1.4)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share except where other-

Hoechst UK purchase to extend pharmaceutical side

BY CHARLES BATCHELOR

Hoechst UK, part of the West German chemicals group, is buying Arthur H. Cox, a small British manufacturer of generics, family and speciality medicines, in a deal which gives Hoechst UK its first pharmaceuticals manufacturing plant in the UK.

Hoechst has reached agreement with a majority of the Cox shareholders but the final details have still to be agreed. Cox made after-tax profit of £221,000 on turnover of £6.7m in 1983.

The tie-up with Hoechst is expected to allow Cox to develop more rapidly than its own limited research facilities would permit. Hoechst UK at present obtains its pharmaceutical supplies either from imports from Germany or from Roussel Laboratories of Swindon, which is part of the Hoechst group 34.5 per cent-owned French subsidiary, Roussel Uclaf.

Roussel Laboratories supplies Hoechst UK with £6.7m-worth of products such as diuretics used in the treatment of heart and kidney diseases and high blood pressure.

Hoechst companies already manufacture other non-pharmaceutical products in the UK, including man-made fibres, colours and animal vaccines.

Hoechst plans to operate Cox under its existing name and to retain its present management. Cox, which employs about 250 people, was established 145 years ago. It moved from Brighton, Sussex, to Barnstaple, Devon, two years ago.

North British Steel loss rises and no dividend

Pre-tax losses of North British Steel Group (Holdings) more than doubled from £1.45m to £3.13m in the year to September 29, 1984. In view of these results, the group's financial position and a proposed capital reconstruction, there is no dividend — last year's payments totalled 1.105p net.

Last month, it was announced that several major creditors had agreed to allow the company to defer repayment of amounts due totalling £1m. The Royal Bank of Scotland offered a financial package which the board would be recommending to shareholders.

Details of the proposed capital reconstruction were sent out yesterday to all shareholders.

Turnover fell from £13m to £15.12m. After-tax losses were higher at £3.15m (£1.47m) and losses per 25p share rose from 28.9p to 61.5p.

There continues to be general overcapacity within the UK steel castings industry and work has been undertaken at reduced margins which have been insufficient to recover the level of overheads which existed during the year.

Steps are being taken to reduce overheads and to improve the average margin on new work.

The board has also decided to write off exceptional expenses in the form of severance costs (£388,000) and accelerated depreciation (£221,000) for assets where the economic value was

UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

RESULTS DUE NEXT WEEK

The only blot on Habitat/Mothercare's results for the first six months to September, due to be published on Thursday, will be another poor performance from Habitat Europe. The group's French shops in particular have suffered from a general squeeze on middle class consumer spending, which may have bottomed out, indicating a limited profits recovery from a low base in Continental Europe. However, there should be another strong performance from both Habitat and Mothercare in the UK, while the first operating profits can be expected from Mothercare in the U.S., which with Conran's American earnings will be lifted on translation by the dollar's strength. The market is looking for a rise in pre-tax profits—including property gains—from £10.5m to £12m or £13m, with a similar rise in the interim dividend from 2p to possibly 2.4p net.

Allied Lyons' results for the first six months to mid-September, due out on Tuesday, are expected to reinforce the market's feeling that the momentum of the group's earlier profits growth is starting to lag. Trading has been especially dull in the beer division, where lager sales have sufferel from import penetration and Allied's traditional beers have been suffering in a slack market from their absence of a major national brand. Wines and spirits, meanwhile, have been losing market share to supermarkets, and there is no evidence yet that the refurbishment of Victoria Wine has made much impact on the multiples. A rise in interest payments and a slowdown in the food division's growth indicates that group profits will grow less quickly than at the previous interim, up from £90.5m to perhaps £101m. A 10 per cent increase on the 2.42p net dividend is on the cards.

On Tuesday the textiles sector sees a first-half announcement from Courtaulds, whose share price has been easing back from its 136p level over the past few weeks following the publication of the latest statistics on fibre demand. There had been signs of weakness earlier in the year, when exports showed a decline, and this trend has consolidated itself in the third quarter, which corresponds to Courtauld's second quarter. The significance of these figures is that fibres account for more than half of group profits. The company has taken prompt management action and closed around 20 per cent of its rayon capacity. This has caused some analysts to downgrade their original forecasts to between £52m and £55m, against £47.7m last time. The best estimates for the year are now between £125m and £128m (£117.5m). It looks as if Courtaulds is managing to make fair weather of a difficult trading patch.

Forecasts of Beecham Group's first-half profits, due out on Tuesday, range from £140m to £148m, against £128.3m. Analysts generally expect underlying profits from both pharmaceuticals and consumer products to be flat but the overall picture will be boosted by the first-time contributions from the likes of Zambeletti, Roberts and Rubson. The effects of the Japanese price cuts will only come through in the second half. Accounting policies will also mean that currency gains register later in the year.

The construction materials group Redland has commanded respect from the market for some time for its sound management in different geographical markets. A bullish statement from the chairman at the AGM, backed up with very strong results from Australia, pushed some analysts' forecasts to quite heady levels of well over £50m for the six months to September. A more considered review of performance has brought the average down to around £47m against £40.5m. The net interim dividend to be announced on Thursday will probably be 3.325p.

Cable & Wireless is expected to have made good progress in the six months to September when figures are announced on Wednesday, although analysts vary in their estimates of the profits growth from £90m to £98m compared with £80m last year. The figure depends in part on whether it capitalises interest from mercury. The interim dividend could be around 2.8p net.

Other companies reported next week include Sterling Guarantee with interims on Monday, International Thomson Organisation, with third quarter figures on Wednesday and Dawson International with interims on Thursday. Final figuresa re expected from ICL on Tuesday, Royal Bank of Scotland on Thursday and MEPC on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Barthwick (Thomas) and Sons plc	Thursday			
Carr, John (Doncaster)	Tuesday	0.39	0.65	0.45
Cronite Group	Wednesday	0.7	0.8	—
Fenner, J. H.	Monday	2.0	3.0	2.0
ICL	Tuesday	0.1	0.7	0.5
MEPC	Wednesday	2.0	6.0	2.5
Morland and Co.	Thursday	2.0	3.25	2.0
Radio City (Sound of Merseyside)	Monday	—	—	—
Royal Bank of Scotland Group	Thursday	2.0	4.4	3.3
Scottish and Mercantile Investment	Tuesday	2.0	5.7	2.0
Tyne Tees Television Holdings	Friday	—	—	2.0
United Wire Group	Thursday	2.2	3.55	2.2
INTERIM DIVIDENDS				
Allied Lyons	Tuesday	2.42	4.36	
Bassett Foods	Thursday	1.05	4.95	
Beecham	Tuesday	4.5	6.6	
BPB Industries	Tuesday	2.8	4.2	
Brockhouse Dudley	Wednesday	0.95	2.65	
Cable and Wireless	Wednesday	2.4	4.1	
Carless Capel and Leonard	Wednesday	1.0	1.75	
Castings	Friday	0.75	2.5	
Celestion Industries	Thursday	—	—	
Century Oils Group	Tuesday	1.0	2.5	
Chamberlain Phipps	Thursday	1.1	2.5	
Channel Tunnel Investments	Tuesday	—	—	
CML Microsystems	Tuesday	—	—	
Courtaulds	Tuesday	1.2	3.0	
Dawson International	Thursday	2.4	4.9	
De Beers Consolidated Mines	Wednesday†	12.5	27.5	
Delmar Group	Thursday	0.98	1.66	
Erskine House	Monday	—	1.5	
Evans of Leeds	Wednesday	1.25	1.75	
Freshbake Foods Group	Friday	0.25	0.5	
Habitat/Mothercare	Thursday	2.0	4.5	
Hampsons Group	Tuesday	1.75	2.25	
Henderson Administration Group	Wednesday	3.0	7.0	
Henriques, Arthur	Friday	0.5	—	
Highgate and Job Group	Friday	—	—	
Humphries Holdings	Thursday	—	—	
International Thomson Organisation	Wednesday‡	—	—	
Investment Company	Tuesday	0.35	0.6125	
M and G Second Dual Trust	Wednesday	4.5	4.04	
Monks Investment Trust	Wednesday	1.1	1.3	
Mountview Estates	Wednesday	1.0	3.5	
Parkland Textiles	Tuesday	1.6	3.2	
Redland	Thursday	3.325	8.175	
Rothmans International	Tuesday	2.0	4.0	
Sarasota Technology	Monday	—	—	
Scapa Group	Thursday	3.15	6.0	
SGO Group	Thursday	2.34	2.91	
Sterling Guarantee Trust	Monday	0.325	0.675	
TR Property Investment Trust	Tuesday	1.2	1.95	
Triefus	Thursday	—	0.05	
Volex	Monday	1.3	3.7	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Cents per share. ‡ Third-quarter figures.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
James Crean ......int.**	4.5	Feb 8	4.13	—	8.25
London Trust ......int.	1.25	—	1.25	—	2.75
Meadow Farm‡ ......int.	1.8	Jan 3	—	—	1.25
N. British Steel	Nil	—	0.75	Nil	1.11
Piccadilly Radio§¶	2	April 1	—	3.75	—
Piccadilly Radio§‖	1	April 1	—	1.58	—
Tomkinsons	5	—	5	5	5
TR Natural ......int.	3.5	Jan 2	5	—	7.5
Wedgwood ......int.	2.75	Jan 11	2.25	—	5.75

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Per A ordinary share. ‖ Per ordinary non-voting share. ** Irish pence throughout.

BANK RETURN

	Wednesday November 21 1984	Increase (+) or Decrease (−) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	37,432,311	− 4,506,107
Bankers Deposits	771,450,368	− 35,366,604
Reserve and other Accounts	1,556,854,635	− 3,945,907
	2,380,290,314	− 43,818,618
Assets		
Government Securities	502,016,775	+ 63,154,814
Advance & other Accounts	733,985,666	+ 17,675,538
Premises Equipment & other Secs.	1,138,760,655	− 115,305,082
Notes	4,364,587	− 5,129,353
Coin	151,448	+ 10,763
	2,380,290,314	− 43,818,618
ISSUE DEPARTMENT		
Liabilities		
Notes Issued	12,060,000,000	+ 40,000,000
In circulation	12,054,635,403	+ 40,312,925
In Banking Department	5,364,597	− 312,925
Assets		
Government Debt	11,015,100	—
Other Government Securities	1,240,089,067	+ 268,335,299
Other Securities	10,808,895,833	− 228,335,299
	12,060,000,000	+ 40,000,000

Volvo's STC unit back in the red

By Kevin Done, Nordic Correspondent, in Stockholm

SCANDINAVIAN TRADING (STC), the troubled oil trading group, has announced losses totalling SKr 124m ($14.4m) after 10 months as a result of falling oil prices. Earlier this week Volvo announced that it was making an SKr 267m offer for the 17 per cent of the trader it does not already own.

The trading company said yesterday that it had been trading profitably, for much of the year, but "unforseen and substantial fluctuations in oil prices in October" had brought heavy losses, for its Scanoil trading subsidiary.

Scandinavian Trading has run up a loss (after financial items) of SKr 68m in the first 10 months compared with a profit of SKr 71m in the first half of the year. The 10-month loss includes unrealised exchange losses of SKr 45m. Earlier this year, the group announced extraordinary losses of SKr 59m, chiefly arising from the liquidation of its interests in Scandrill, its U.S. oil exploration and production operation.

As a result the group shows a total loss before tax and allocations of SKr 124m compared with a profit SKr 7m at the end of June.

Even if earnings improve in the last two months of this year the group would show a "distinct loss" for 1984, the board announced following a special meeting called to consider the Volvo offer.

Volvo already owns 83 per cent of the traders shares, having been forced to step in late last year to save the group from financial collapse. The STC board yesterday recommended its minority shareholders to accept the offer.

STC ran up losses before taxes and allocations to untaxed reserves of SKr 703m last year. Following the rescue by Volvo its activities have been drastically reorganised, and scaled down this year, with turnover in the first 10 months falling to SKr 23.6bn from SKr 37.7bn in the same period last year.

Canadian banks in ATM sharing project

By Bernard Simon in Toronto

FOUR of Canada's largest banks and the credit union movement in Quebec are to share their automated teller machines as a first step towards developing a joint point-of-sale system for electronic funds transfer.

Canadian banks have up to now been less eager than banks in the U.S. to share their ATM networks with other institutions, mainly because each of the major banks already has its own countrywide system. The first co-operation agreement was announced earlier this year when Bank of Nova Scotia and the Quebec-based National Bank of Canada began sharing ATMs.

The four banks involved in the latest project. Royal Bank. Canadian Imperial Bank of Commerce. Bank of Nova Scotia and Toronto-Dominion Bank, and the Quebec-based Caisses Populaires Desjardins operate a total of 1,900 ATMs.

Elders adamant on bank plan

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE DEADLINE for applying for banking licences in Australia closed yesterday. Among the 40 or so applicants was Elders-IXL, the country's largest company in sales terms.

Elders is not, however, putting all its eggs in the basket of Mr Paul Keating, the Australian Finance Minister, who will announce the names of the successful applicants early in the new year (provided that Labor wins December's general election). For whether or not it gets a full licence, the pastoral, brewing, trade, construction, resources and finance group intends to go ahead and set up a new trading bank—Elderbank.

"We want them to let us do what we've been doing for 150 years already," Mr Bill Payne, Elders' executive director for retail banking, said in an interview this week. The planned Elderbank will be rural and trade orientated.

Reservations have been expressed about giving a banking licence to a semi-industrial group like Elders. "There was concern about cross-infection—a catastrophy in one part of the group rubbing out the bank as well," said Mr Payne. "However we've explained the unlikelihood of that happening. we'll structure Elderbank separately, but with linked shares. Shareholders in Elders-IXL will have direct shares in Elderbank, but it will have its own board and it will be given a pretty fair measure of independence. We hope that argument wins the day."

But if it does not, Elders will go ahead anyway, developing a fully integrated financial services group.

Elders' main financial activities are merchant and rural banking, property financing and leasing, investment and pension and trustee services. In 1983-84 it launched its first unit trust. Elders Equity Trust and formed Elders Drexel Australia, which offers commodity and futures trading services.

Also last year it bought a Private Investment Company for Asia (PICA), a Singapore-based merchant bank, plus a 40 per cent stake in the Melbourne-based shareholder, Roach Tilley Grice.

At June 30, total assets of Elders finance division were A$1.2bn (US$1.03bn) while funds under management were A$500m. In the year to June group net operating profit was A$72.2m of which finance contributed A$15.2m. Total sales were A$5.6bn, sharply up from the previous year's A$3.7bn following the gulping of its former parent, Carlton and United Breweries.

Elders has said publicly that while it will continue to seek a full banking license, it is not prepared to compromise a well-established business by having to offer equity to foreign partners.

Paul Keating: "We are restricting numbers not competitive scope"

"The finance strategy of the group will be developed and built whether or not a licence is granted," more of the business will be done overseas, creating jobs there instead of in Australia."

Elders says the Government is already committed to granting a banking licence to China—plus at least one licence apiece to Japan, Britain, Europe and North America.

"But those banks won't be setting up shop in Dubbo or Toowoomba," said Mr Payne, stressing that Elderbank will expand off an existing and predominantly rural base. "If you're going to have new banks, it doesn't make sense to have more of the same. We already have considerable rural expertise. We know the value of a farmer's property the rainfall on his farm—even the cost of his wire fencing, which we probably sold to him. The other day we approved an overnight loan of A$8m. Other banks simply could not do that. If a farmer says he wants to buy 250 head of cattle, a normal banker just shudders in his boots."

Recently Mr Keating gave a fairly full account of the thinking that lies behind the decisions to be made on the licence applications. "While we are restricting the number of full bank licences, we are not restricting the competitive scope of those who win them."

He added: "Nor are we by any means closing out the financial market to competition from those institutions who, either through our choice or theirs, will not enjoy a full banking presence within Australia."

But at Elders, Mr Payne was adamant: "We're going to build a large retail financial services group anyway and we'll call it a bank, whether the Government likes it or not."

ACI bids for 100% of Alex Harvey

By Terry Povey

ACI INTERNATIONAL, the Australian packaging, building products, timber and consumer products group, has announced a NZ$200m (US$99m) bid for the 44.4 per cent of Alex Harvey Industries it does not already own.

The board of AHI, in which ACI has had a controlling stake since the late sixties, have advised shareholders not to sell their shares until the company receives independent advice on the offer. The bid, at NZ$3 a share, values the New Zealand packaging and building products manufacturer at NZ$453m.

The move follows quickly on New Zealand's lifting of most of the rules restricting borrowings on the domestic market by foreign owned companies operating in the country. While approval for borrowings over NZ$300,000 are still required, it will be given automatically in most cases, says the Overseas Investment Commission.

● ACI International has also announced half-year results to September 30. Net profits were up 25.4p per cent to A$23.31m on a turnover of A$1.08bn, up by 4.9 per cent. An unchanged interim dividend of 7.5 cents a share is being paid on earnings per share of 7.5 cents—up from 5.9 cents at the midpoint last year.

Commerzbank to buy rest of Europartners

By Our Financial Staff

COMMERZBANK, the major West German commercial banking group, is to take full control of the Amsterdam-based Europartners Bank (Nederland), a consortium bank whose other partners are Banco di Roma of Italy and Credit Lyonnais of France.

Herr Walter Siepp, Commerzbank's managing board chairman, said in Frankfurt yesterday that Commerzbank would raise its stake from 70 per cent to 100 per cent before the end of the year. No financial details were given.

The Dutch bank, which has a branch in Rotterdam, is to be renamed Commerzbank (Nederland). It has a balance sheet total of DM 1.3bn ($431m) and net worth of DM 63m.

Herr Siepp also announced that Commerzbank had received approval to set up a Swiss subsidiary. Commerzbank (Schweiz) will have start-up capital of SwFr 25m ($10m) and will concentrate on investment business, securities, gold and currency trading and issue management.

Commerzbank said it would bring two new share listings to West German stock exchanges.

A nominal DM 40m worth of DM 50 ordinary shares of Hannover Papier Alfreld-Gronau will be listed from November 28. ADV-Orga F. A. Meyer will list some DM 2m of non-voting preference shares in the second half of December.

Beijer to buy TV satellite stake

BY OUR NORDIC CORRESPONDENT

INVESTMENT AB BEIJER, the Swedish investment company, is to take a 10 per cent stake in Coronet, the Luxembourg television satellite project.

Beijer refused to reveal the price it is paying for the stake in the project, which is expected to cost around $180m. The satellite is due to be launched in early 1987, and Beijer expects commercial transmisisons to hegin in May/June 1987.

The only other investor to have taken a stake in the project to date is Home Box Office, the subsidiary of Time of the U.S., which holds 5 per cent.

Beijer has also bought two options which give it the exclusive rights to negotiate on the use of two of the Coronet channels for the distribution of television programmes in the four Nordic languages.

Coronet is the first privately-owned European television satellite project. It will be able to transmit 16 channels of pay-TV or television financed through advertisements across West Europe.

The orbit has been registered by the Luxembourg Government and the necessary ground stations will be based in Luxembourg.

Beijer, whose shares are quoted in both Stockholm and London, is seeking to establish a significant presence in Scandinavian pay and cable television. It has already taken a 7 per cent stake in Sponsor, a Finnish manufacturer of parabolic antennas for cable television operations, and it has entered into a joint venture with VIP, a Norwegian programming company.

● Asea the Swedish industrial group which is Europe's leading robot maker, plans to at least triple production of robots in Japan by establishing a plant capable of turning out 500 to 1,000 industrial robots a year, AP-DJ reports from Tokyo.

Gadelius, a mebers company of the Asea group, said Asea was making the move because production could not keep up with demand. Gadelius, which sold about 200 robots in Japan last year, forecasts that sales will double to around 400 by next year. Factory construction is due to begin in Kobe, in Western Japan, around the end of 1985.

Harvester and Tenneco call dealer meetings

By Paul Taylor in New York

INTERNATIONAL Harvester and Tenneco farm equipment dealers have been called to "special" meetings next Wednesday amid mounting speculation that Tenneco is about to announce the acquisition of Harvester's troubled farm equipment division.

The separate dealer meetings, described as concerning "an important announcement" were confirmed yesterday by industry experts who have become increasingly convinced that a merger between Tenneco's loss-making Case construction and farm equipment division and Harvester's loss-making tractor and combine harvester division has been under negotiation.

Both companies have refused to comment on the speculation. But the dealer meetings, in Dallas and Kansas City, both scheduled for the same time, represent the first clear indication that a major annoucement is planned.

There is also speculation that the two companies plan to issue a statement as early as Monday about an acquisition offer recently submitted by Tenneco to Harvester. Harvester's shares were among the most active issues on the New York Stock Exchange early yesterday, down $⅛ to $7⅞.

For Tenneco, the Houston-based conglomerate with oil, gas, manufacturing, insurance and shipbuilding interests, any deal would mark the end of speculation about its Case division, which last year had an operating loss of $68m on revenues of $1.75bn or about 12 per cent of Tenneco's total $14.4bn in revenues.

Farm equipment sales represented less than 40 per cent of Harvester's $3.6bn in revenues last year.

Strong advance at Dutch paper group

BY OUR FINANCIAL STAFF

BUEHRMANN - TETTERODE, the Dutch paper, printing and packaging group, increased net income for the first nine months of 1984 by 80 per cent to Fl 15.4m ($4.5m) or Fl 4.16 a share, from Fl 8.6m or Fl 2.32 in the comparable period.

Turnover rose by 15 per cent to Fl 2.26bn from Fl 1.96bn.

The company said a recovery in the graphics sector and good results in the division for industrial products outweighed a lagging distributive trade and publishing sector.

For the whole 1984 year, Buehrmann - Tetterode said results should improve in line with the previous year. In 1983, net income rose by 66 per ceo to Fl 20.9m.

● Wereldhave, the Dutch-based property investment and development group, lifted net income for the first nine months of 1984 by 21.6 per cent to Fl 35.97m ($10.6m) from Fl 29.59m in the 1983period. Net profit per share rose by 8 per cent to Fl 7.49.

Wereldhave said the increase in profit was mainly attributable to higher investment income. Net asset value per common share amounted to Fl 154.48 at September 30, compared with Fl 152.18 at December 31 1983.

The group expects results for the whole year to be in line with the nine-month figures.

Schloemann-Siemag sees upturn in orders

BY RUPERT CORNWELL IN DUSSELDORF

SCHLOEMANN-SIEMAG, the leading West German supplier of steel plant and processing equipment, controlled by Gutehoffnungshuette, is expecting new orders to climb back close to DM 2bn ($662m) this fiscal year—thanks largely to the Chinese go ahead for a new hot rolling mill at the Baoshan complex near Shanghai.

Herr Heinrich Weiss, chief executive of SMS, has confirmed that the contract for the DM 1.3bn project, of which his company's direct share is DM 500m, will be signed at the latest by the start of 1985.

The pattern in orders continues a trend which was evident in the previous financial year to June 30 last, when orders recovered to DM 1.7bn from only DM 1.1bn in 1982/83. Sales also picked up slightly, to DM 1.3bn from DM 1.2bn.

Herr Weiss reported a general upturn in business

WORLD STOCK MARKETS

NEW YORK

WALL STREET

Dow boosted by cut in discount rate

WALL STREET stocks were higher at midsession as traders reacted to Wednesday's half-point cut in the Federal Reserve's discount rate to 8½ per cent.

The Dow Jones industrial average was up 11.93 at 1,213.45 at 1 pm. The Transportation index was up over four points to near 528 and the Utilities index was up over one point to near 1,145.

Overall gainers led losers by more than three to one on volume of almost 40m shares.

An analyst with First Albany commented: "Today's activity has been rational and predictable.

"The stock market is responding in clear evidence that the Fed is not going to stand by and allow a recession to occur or the economy to slow much more."

Analysts said interest rate sensitive stocks, including Utilities and Automobiles, were reacting particularly favourably to the drop in interest rates.

Florida Power, going ex-dividend, was up ¼ at $44⅝. Northeast Utilities rose ¼ to $14⅜ and Duquesne Light was unchanged at $16.

Chrysler was up ⅜ at $27⅞. AMR rose ⅞ to $33 and GM gained 1⅛ to $76⅞.

Among the airline issues, also interest rate sensitive, UAL rose 1⅛ to $41⅝. Pan Am was unchanged at $4⅝. Delta was up ⅜ at $33⅜ and Eastern was unchanged at $4½.

International Harvester was off ⅛ at $7⅞ in active trading, while Tenneco fell ⅛ to $34⅞. The two companies said they plan to make a statement next week on an acquisition offer recently submitted to Tenneco by Harvester.

Colgate - Palmolive, whose board amended its by-laws to cut shareholders' rights, fell ⅛ to $25⅜.

U.S. Government securities prices faltered slightly as profit-taking pared early gains scored in response to Wednesday's discount rate cut and a lower Fed funds rate.

CANADA

Toronto stock prices were slightly higher at midsession, extending a sharp rally that took hold on Thursday. The composite index was up 7.7 points at 2,411.1 on light turnover of 3.96m shares. Winning issues exceeded losers by 282 to 193. Nine of the 14 major stock groupings were higher, led by gains in Transportation and Financial.

Montreal stock prices continued Thursday's advance with the market portfolio rising 0.62 of a point to 120.31 on turnover of 872,517 shares.

GERMANY

Sentiment was improved by the belief that interest rates will decline further and by forecasts of higher domestic economic growth, dealers said.

Share prices closed mixed but with many shares higher.

News that a government economic advisory commission has forecast 3 per cent economic growth next year after 2½ per cent this year was followed by remarks from Herr Gerhard Stoltenberg, the finance minister, to the effect that the latest economic data indicates that West Germany is on the road to lasting economic health.

The prospect of new arms limitation talks between the U.S. and the Soviet Union provided additional support, dealers said.

The high dollar is also seen as helping the market. Little foreign investor activity was noted on the bourse, however, and although the session began lively, it became quieter later.

The Commerzbank index of 60 leading shares was 3.3 points higher at 1,085.6. On Monday it was 1,071.2.

PARIS

French share prices were strong as the opening of a new monthly account combined with falling international interest rates to boost confidence.

The 50-share indicator showed a 1.19 per cent rise in active trading and gains outnumbered losses 133 to 32. Foreign shares had 52 gains to 10 losses.

Closing prices for North America were not available for this edition.

AMSTERDAM

A stronger undertone returned to the market and share prices were broadly higher in moderately active trading.

Brokers cited general optimism over domestic economic prospects and positive expectations for the Wall Street opening as the main factors underpinning sentiment. The few isolated declines were minimal and some shares made sharp upward spurts.

HONG KONG

Heavy local buying of property issues bolstered share prices on Hong Kong's stock market, lifting the Hang Seng index on to the threshold of a critical resistance level.

The indicator finished at 1,096.04, up 8.23 points, on a combined volume of HK$168.93m, down from HK$209.97m on Thursday.

Brokers say the index is almost certain to clear the 1,100 mark next week and the market expects it to test the year's high of 1,170.35 reached on March 19.

Japanese markets were closed yesterday for the Labour Thanksgiving Day holiday. Danish stock prices and indices were not available because of technical problems.

The primary players in yesterday's market were local investors, a sign which many analysts believe indicates renewed confidence in the market.

In the two months since the Sino-British draft agreement on Hong Kong was signed, local investors have been hesitant buyers and ready sellers on Hong Kong's four independent exchanges.

The leading property issue was HK Land, which gained 8 cents to HK$3.60. Cheung Kong was strongly in favour with local investors, brokers said, and its share price finished at HK$8.90, up 20 cents. Sun Hung Kai Properties finished at HK$7.15, down 5 cents.

Much of the day's buying came towards the close as speculation mounted among investors that the local prime lending rate would be cut over the weekend.

Although bankers in Hong Kong are divided over whether local interest rates will follow the U.S. discount rate down, brokers said that if the colony's rates were not cut, disappointment might lead to a fall in the market on Monday.

Among the stocks that benefited from the late rally were Hutchison Whampoa, which gained 10 cents to HK$15.40, Hang Seng Bank, up 50 cents to HK$39.75, Hongkong & Shanghai Bank, up 10 cents to HK$7.05, and Hongkong Telephone, up 50 cents to HK$45.75 a share.

SINGAPORE

The market closed firm in extending Thursday's gain on buying and covering interest in fairly active trading.

The Straits Times Industrial index rose 15.03 points to 810.87 and the Stock Exchange Industrial/Commercial index gained 10.09 points to 583.33. Turnover rose to 12.03m shares from 9.6m the day before.

TDM, the most active issue with 572,000 shares traded, closed 8 cents higher at S$2.96. Pabang gained 5 cents to S$1.08 on a turnover of 478,000 and Pegi rose 6 cents to S$1.30 on 380,000 shares transacted.

AUSTRALIA

Markets closed easier with resource stocks under pressure on concern that the slowdown in the U.S. economy may lead to weaker metal prices.

Near the close, the All Ordinaries index was 2.6 down at 770.1. National turnover was 45.93m shares.

Falls were concentrated among heavyweight mining stocks, although gold and oil issues also attracted pressure. There was no clear trend on the industrial boards.

JOHANNESBURG

Gold shares closed narrowly mixed for the second successive day as the bullion price again failed to give a clear lead.

Trading was quiet, and among heavyweights, Southvaal finished 100 cents higher at 8,800 cents while Durban Deep ended 100 lower at 3,150. Cheaper shares moved between 5 and 25 cents either way on balance. Mining Financials mirrored golds, but in mostly firmer other minings, Diamonds and Platinums tended slightly easier with De Beers down 2 at 845 and Impala down 10 at 2,350.

CANADA

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK

DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

TORONTO

MONTREAL

NEW YORK ACTIVE STOCKS

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm

The dollar finished on a firm note in currency markets yesterday in rather thin trading. The absence of some traders in the U.S. following Thursday's holiday tended to exaggerate movements to some extent but there was still a good underlying dollar demand. Much of this was based on the assumption that despite a recent cut in the U.S. discount rate, the dollar remained an attractive bet. The threat of intervention by the West German Bundesbank failed to provide any major deterrent.

Consequently it rose to DM 3.0290 from DM 3.0135 and SwFr 2.5010 from SwFr 2.4900. Against the yen it rose to Y245.20 from Y244.30 and FFr 9.2925 compared with FFr 9.2250. On Bank of England figures, its trade weighted index rose to 140.8 from 140.2.

Sterling was a little weaker overall with its exchange rate index slipping to 74.9 from 75.1, having touched a high of 75.0 in the morning and a low of 74.8 in the afternoon. Against the dollar it fell to $1.2185-1.2195, down 90 points from Thursday and its worst closing level this month.

There was no real pressure on sterling however as its decline was seen more as a reflection of dollar strength than of any fundamental weakness. The pound closed unchanged against the D-mark at DM 3.6975 but eased against the Swiss franc to SwFr 3.0500 from SwFr 3.0625. It was also weaker in terms of the Japanese yen at Y299.0 from Y300.0 and FFr 11.3125 from FFr 11.3375. The recent reduction in UK clearing bank base rates had little effect since the level of domestic interest rates had already discounted such a move.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Nov 23	Previous
8.30 am	75.0	75.5
9.00 am	74.9	75.3
10.00 am	74.9	75.2
11.00 am	75.0	75.3
Noon	74.9	75.2
1.00 pm	74.9	75.2
2.00 pm	75.0	75.2
3.00 pm	74.8	74.9
4.00 pm	74.9	75.1

£ in New York

	November 23	Prev. close
£ Spot	$1.2165-1.2200	$1.2345-1.2360
1 month	0.08-0.06pm	0.58-0.06 pm
3 months	0.07-0.04 pm	0.07-0.04 pm
12 months	0.68-0.78 dis	0.68-0.78 dis

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Nov 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2160-1.2270	1.2185-1.2195	0.10-0.07c pm	0.84	0.12-0.07 pm	0.31
Canada	1.6055-1.6135	1.6055-1.6065	0.13-0.22c dis	−1.31	0.36-0.50dis	−1.07
Nethlnd.	4.14¼-4.17	4.15½-4.16½	1½-1¼c pm	3.97	4-3⅞ pm	3.67
Belgium	74.25-74.43	74.25-74.35	2-7c dis	−0.73	11-19 dis	−0.81
Denmark	13.26-13.33¼	13.32¾-13.33¾	2¼-3ore dis	−2.42	7¼-9 dis	−2.31
Ireland	1.1869-1.1912	1.1891-1.1905	0.38-0.52p dis	−4.44	1.22-1.46dis	−4.50
W. Ger.	3.68-3.70¼	3.69¼-3.70¼	1½-1¼pf pm	4.46	3¾-3½ pm	2.79
Portugal	197.50-199.60	197.70-198.20	200-635c dis	−25.31	595-1770dis	−23.89
Spain	206.75-207.20	206.75-206.95	50-60c dis	−3.18	155-175 dis	−3.19
Italy	2,274½-2,292½	2,280-2,281	8-11 lire dis	−5.00	29-33 dis	−8.44
Norway	10.70½-10.74	10.70¾-10.71¾	2¾-3¾ore dis	−3.43	9½-10¼ dis	−3.68
France	11.28-11.32½	11.30¾-11.31¾	½-1¼c dis	−0.86	4¼-5¾ dis	−1.77
Sweden	10.54-10.57½	10.55¼-10.56¼	2-2¾ore dis	−2.49	6-6¾ dis	−2.41
Japan	298-299½	298½-299½	0.88-0.79y pm	3.33	2.48-2.32 pm	3.21
Austria	25.86-26.02	25.97-26.02	5¼-4¼gro pm	2.22	15½-11¼ pm	2.08
Switz.	3.04-3.06	3.04½-3.05½	1½-1¼c pm	5.41	3½-3¼ pm	4.34

Belgian rate is for convertible francs. Financial franc 74.45-75.55. Six-month forward dollar 0.20-0.15c pm. 12-month 0.30-0.45c dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Nov 23	Day's spread	Close	One-month	% p.a.	Three months	% p.a.
UK†	1.2160-1.2270	1.2185-1.2195	0.10-0.07c pm	0.84	0.12-0.07 pm	0.31
Ireland†	1.0260-1.0330	1.0260-1.0270	0.48-0.43c pm	5.30	1.30-1.16 pm	4.82
Canada	1.3173-1.3190	1.3180-1.3190	0.22-0.25c dis	−2.14	0.43-0.48dis	−1.38
Nethlnd.	3.3805-3.4200	3.4190-3.4200	0.93-0.90c pm	3.22	2.88-2.85 pm	3.36
Belgium	60.50-61.15	61.05-61.15	7½-9c dis	−1.63	16-19 dis	−1.15
Denmark	10.86½-10.94½	10.94-10.94½	2¼-2¾ore dis	−2.75	5¼-5¾ dis	−2.02
W. Ger.	3.0000-3.0355	3.0285-3.0295	0.90-0.85pf pm	3.48	2.73-2.68 pm	3.58
Portugal	152-163	162-163	175-525c dis	−25.52	500-1450dis	−24.00
Spain	168.99-170.18	169.65-169.85	45-55c dis	−3.54	135-150 dis	−3.36
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 74.45-74.55.

OTHER CURRENCIES

Nov. 26	£	$		£ Note Rates
Argentina Peso	169.59-169.89	138.98-139.09	Austria	26.75-26.05
Australia Dollar	1.4240-1.4860	1.1665-1.1670	Belgium	74.25-75.05
Brazil Cruzeiro	3,378.6-3,698.3	2,707-2,781	Denmark	13.25-16.50
Finland Markka	7.8982-7.7321	6.3080-6.3100	France	11.25-11.37
Greek Drachma	150.74-153.79	122.90-125.39	Germany	3.67-3.71
HongKong Dollar	9.5538-9.5565	7.8250-7.8280	Italy	2280-2315
Iran Rial	114.50*	91.85*	Japan	298-305
KuwaitDinar(KD)	0.35690-0.35698	0.30195-0.30165	Netherlands	4.14-4.18
Luxembourg Fr	74.85-74.35	61.05-61.15	Norway	10.68-10.79
Malaysia Dollar	2.9310-2.9385	2.4050-2.4080	Portugal	202-217
New Zealand Dlr	2.4870-2.4920	2.0580-2.0410	Spain	204-213½
Saudi Arab Riyal	4.3455-4.3505	3.5605-3.5615	Sweden	10.53-10.64
Singapore Dollar	2.5370-2.5430	2.1600-2.1650	Switzerland	3.05-3.08
Sth African Rand	2.1885-2.1969	1.7870-1.8025	United States	1.21¼-1.23¼
U.A.E. Dirham	4.4815-4.4865	3.6720-3.6750	Yugoslavia	270-297

* Selling rate.

EXCHANGE CROSS RATES

Nov. 23	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.219	3.698	299.0	11.31	3.050	4.160	2281.	1.585	74.50
U.S. Dollar	0.820	1.	3.020	245.2	9.293	2.551	3.420	1880.	1.317	61.10
Deutschemark	0.270	0.330	1.	81.07	3.059	0.825	1.125	616.2	0.436	20.09
Japanese Yen 1,000	3.344	4.077	12.37	1000.	37.85	10.20	13.91	7227.	5.371	249.5
French Franc 10	0.884	1.076	3.268	264.3	10.	2.698	3.677	2016.	1.420	65.88
Swiss Franc	0.328	0.400	1.212	98.03	3.708	1.	1.364	747.7	0.527	24.35
Dutch Guilder	0.240	0.293	0.889	71.88	2.712	0.733	1.	548.2	0.386	17.85
Italian Lira 1,000	0.439	0.535	1.621	131.1	4.961	1.337	1.824	1000.	0.704	32.58
Canadian Dollar	0.625	0.759	2.308	186.2	7.044	1.899	2.590	1420.	1.	46.28
Belgian Franc 100	1.346	1.641	4.976	402.4	15.23	4.105	5.582	3069.	2.162	100.

MONEY MARKETS

Little change

Interest rates showed little overall change in the London money market yesterday. While underlying sentiment remained fairly bullish, there was some concern over the performance of sterling and whether the recent downward trend in U.S. rates would continue. For the time being the market is probably waiting until the dust settles after the allocation of British Telecom shares.

The recent reduction in interest rates both in the UK and the U.S. encouraged discount houses to sell paper outright in order to accommodate the day's shortage and short term funds were in good supply towards the end of the day. Weekend interbank money touched a high of 10 per cent but fell away to finish nearer 5 per cent. Three-month interbank money was quoted at 9 11/16-9 13/16 per cent, unchanged from Thursday while three-month eligible bank bills were bid at 9¼ per cent compared with 9⅜ per cent.

UK clearing banks' base lending rate 9½-9¾ per cent since November 23.

The Bank of England forecast a shortage of around £900m and offered an early round of assistance. Factors affecting the market included maturing assistance and a take up of Treasury bills together draining £385m and the unwinding of previous sale and repurchase agreements a further £362m. In addition there was a rise in the note circulation of £240m and banks brought forward balances £5m below target. On the other hand Exchequer transactions added £180m.

Early assistance totalled £791m and comprised purchases of £24m of eligible bank bills in band 1 (up to 14 days) at 9½ per cent and £323m in band 2 (15-33 days) at 9½ per cent. In band 3 (34-63 days) it bought £29m of Treasury bills, £20m of local authority bills and £221m of eligible bank bills all at 9¼ per cent and in band 4 (64-91 days) £15m of local authority bills and £159m of eligible bank bills all at 9¼ per cent. The shortage was later revised to around £950m before taking into account the early help and the Bank gave additional assistance of £202m.

This comprised purchases of £102m of eligible bank bills in band 2 at 9½ per cent and £100m in band 3 at 9¼ per cent. The forecast was revised once more to a shortage of around £1,000m and the Bank gave help in the afternoon by buying £30m of eligible bank bills in band 2 at 9⅜ per cent. Total help was £1,023m.

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Nov. 23 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	5-10	[illegible]	[illegible]	[illegible]	—	—	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	—	—	—	—	—	—	—	—
Nine months	[illegible]	[illegible]	—	—	—	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	—	[illegible]	[illegible]	—	—
One year	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	[illegible]	—	—	—	—
Three years	—	[illegible]	—	—	—	—
Four years	—	[illegible]	—	—	—	—
Five years	—	[illegible]	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of interest period October 3 to November 6 1984 (inclusive): 10.516 per cent. Local authorities and Finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 11 per cent from November 1 1984. London and Scottish Clearing Bank Rates for lending 9½-9¾ per cent. London Deposit Rates for sums at seven days' notice 6-6¼ per cent. Treasury Bills: Average tender rates of discount 9.0065 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 10½ per cent; one-three months 10 per cent; three-six months 10 per cent; six-nine months 10 per cent; nine-12 months 10 per cent. Under £100,000 9½ per cent from November 7. Deposits held under Series 5 10¼ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. November 23)

3 months U.S. dollars: bid 9 1/4 | offer 9 3/8

6 months U.S. dollars: bid 9 5/16 | offer 9 11/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Nov. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	[illegible]	8⅝-8⅞	11¼-11½	5⅞-5⅝	7⅛-1⅛	6¼-6⅜	10⅝-10⅞	14½-15½	11½-12	10¾-11	6⅛-6⅝	12-12½
7 days notice	[illegible]	8¾-8⅞	11¼-11⅛	6⅝-5⅝	11¾-12	5 9/16-6	10¾-10⅞	14 15	10⅝-11¼	10½-11	6-6¼	12-12½
Month	[illegible]	8 11/16-8 13/16	10½-11	6⅝-5¾	4 1/16-4 3/16	6 1/16-5 15/16	10¾-10⅞	14⅝-15⅝	10⅝-10⅞	10⅝-10¾	[illegible]	12-12½
Three months	[illegible]	9 1/16-9 3/16	18⅝-18¾	5⅛-5	5 1/16-5 3/16	5⅝-5¾	11¼-11⅝	14⅜-16¼	18¼-10¾	10½-10⅝	5⅝-5 11/16	11¾-12½
Six months	[illegible]	9⅛ 9⅝	10½-10⅞	6-6⅛	5-5⅛	5 1/16 5 3/16	11½-11⅝	14⅛-15¼	10¼ 10¾	10½-10⅝	6⅛-6¼	11¾-12¼
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Asian $ (closing rates in Singapore): Short-term 8⅞-8¾ per cent; seven days 8⅞-9 per cent; one month 9-9⅛ per cent; three months 9 3/16-9 5/16 per cent; six months 9¼-9⅜ per cent; one year 10¼-10⅜ per cent. Long-term Eurodollars: two years 11⅛-11⅜ per cent; three years 11⅜-11⅝ per cent; four years 11¾-12 per cent; five years 12-12¼ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	High	Low
METALS					
Aluminium	£1100	—	£1050	£1100	£1100
Free Markets c.i.f.	$1170/1200	−100	$1550/1580	$1600/1650	$1025/1075
Antimony					
Free Market 99.6%	$2250/2350	−25	[illegible]	[illegible]	$2460/82
Copper-Cash High Grade	£1108.5	+35.25	£1010.5	[illegible]	£945
3 months Do. Do.	£1127.5	+29.75	£994.5	[illegible]	£908.73
Cash Cathodes	£1115.5	+33.5	£959	[illegible]	£840.5
3 months Do.	£1121.5	+31.5	£975.5	[illegible]	£957
Gold Per oz.	$341.5	−5.5	$376.125	$405.75	$333.75
Lead Cash	£373.5	−3	£278.5	£385.5	£209.5
3 months	£346.75	−8	£286.75	£387.87	£279.25
Nickel	£4885	[illegible]	£4646.34	£5087	£4835
Free Markets c.i.f. lb	212/232c	−4	205/225c	218/238	203/225c
Palladium per oz.	$145.25	−3.25	$145.25	$162.25	$150.00
Platinum per oz.	$328.00	−5.75	$380.90	$411.25	$312.25
Quicksilver (76 lbs)	$285/305	[illegible]	$305/310	$313/318	$290/30
Silver per oz.	615.10p	+11.75	585.80p	678.70p	528.15p
3 months per oz.	629.60p	+11.00	585.45p	694.40p	544.30p
Tin cash	£9733	+72.5	£8722.5	£8817.5	£8370
3 months	£9737.5	+66.5	£8847.5	£8722.5	£8517.5
Tungsten Ind.	$83.34	−5.18	$78.12	$89.55	$74.43
Wolfram (22.04 lbs)	$77/78	—	$79/78	$86/90	$71/75
Zinc cash	£637.25	+14.25	£557.5	£787.5	£582.5
6 months	£640.25	+12.6	£582.5	£718.25	£594.5
Producers	$900	—	$950	$1050/960	$900
GRAINS					
Barley Futures	£109.95u	+0.50	£122.55	£123.55	£105.65
Maize French	£145.00z	—	£146.50	£154.50	£145.55
WHEAT Futures					
Hard Winter Wheat	£110.90u	+0.20	£125.05	£130.50	£105.56
SPICES					
Cloves	$4,200	−105	$6,300	$5,500	$4,000
Pepper, white	$3,400	−25	$5,880	$2,550	$8,900
Black	$2,500	−25	$2,050	$2,250	$1,800
OILS					
Coconut (Philippines)	$865x	+65	—	$1,675	$900
Groundnut	$950	—	—	$1,160	$815
Linseed Crude	£325v	—	£425	£437	£387
Palm Malayan	$610u	—	$670	$1,000	$550
SEEDS					
Copra (Philippines)	$560w	—	$595	$865	$550
Soyabeans (U.S.)	$255v	−5.05	$310	$352	$236.75
OTHER COMMODITIES					
Cocoa Shipment §	£1,945	−58	—	£2,173	£1,572.5
Cocoa Futures Dec	£1,884.6	−57.5	£1632.5	£2103.5	£1638
Coffee Futures Jan	£2,309	−61.5	£1,916.5	£2,612	£1,890.6
Cotton Index	—	—	89.05c	90.10c	72.35c
Des. Coconut	£1,280	−20	£960	£1,546	£905
Gas Oil Fut. Dec	$228.75	−7.75	$246.5	$957.72	$214.25
Jute UJA SWC grade	$870	+0	—	$872	$485
Rubber kilo	50p	—	63.5p	91p	58p
Sago Pearl	—	—	£280	£345	£285
Sisal No. 3L	$670	—	$660	$670	$630
Sugar (Raw)	$110.50zu	−7	£142	$184	$105
Tapioca No. 1	—	—	£515	£530	£290
Tea (quality) kilo	350p	—	257p	576p	257p
(lowtm'd) kilo	250p	+9	225p	280p	190p
Wooltops 64s Super	472p kilo	+2	405p kilo	477p kilo	438p kl

‡ Unquoted. (g) Madagascar. § Ghana cocoa. (v) Dec. (z) Nov-Dec. (w) Dec-Jan. (u) Jan.

REVIEW OF THE WEEK

London cash copper at 15-month high

BY OUR COMMODITIES STAFF

A TIGHTENING of immediately available supplies pushed cash prices for copper on the London Metal Exchange yesterday to the highest level since August last year. Higher grade cash copper rose by £20 to £1,108.5 a tonne, £35.5 up on a week ago. The three months quotation was £29.75 higher on the week at £1,127.5 just below the year's peak reached at the beginning of the month.

After falling sharply at the beginning of the week, the London copper market has subsequently been boosted by the weak trend in sterling against the dollar, strikes at the Southern Peru Copper Corporation and Bougainville mine in Papua New Guinea as well as a continued decline in warehouse stocks.

The advance was halted when the New York market failed to move up on Friday afternoon as expected. Nevertheless the developing "squeeze" on cash supplies of higher grade copper and cathodes is providing a firm undertone.

Aluminium rallied yesterday with the cash price gaining £13 to £928 a tonne, but still £24.5 down on the week. The market was under constant pressure for most of the week from speculative selling, mainly from New York, where prices broke through crucial chart points.

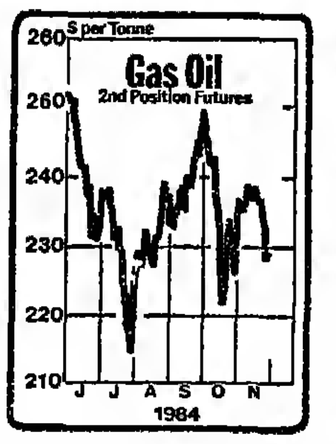
Inco announced that it was closing its Port Colborne nickel refinery in Ontario for two weeks following a build up in stocks. It is already shutting its Welsh refinery for three months. Cash nickel ended the week £130 higher at £3,875 a tonne, aided by the decline in sterling.

Lead held back by fresh attempts to settle the long-running strikes on the Missouri lead belt, but shortage of nearby supplies is sustaining the cash price.

London gas oil futures dropped to the lowest level since August, following the decline in spot crude oil prices, especially North Sea crudes. The warm weather in Europe and the U.S. is reported to have delayed the seasonal increase in demand and put the already shaky market under further pressure. So has reports of price-discounting and overproduction by Opec members.

Cocoa and coffee values declined following an easing in the nearby supply shortages that has been boosting both markets. The November position for coffee dropped by as much as £175 to £2,565 a tonne as more than expected supplies became available. This helped depress the January position by 61.50 to £2,308.

In the case of cocoa, deliveries from West Africa in Europe pushed the December position down by £57.5 to £1,884.5 a tonne, although it rallied yesterday. The March position fell by £75 to £1,829.5 on favourable crop reports from West Africa.



BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,181, three months £1,117, 18, 18.5, 18, 20, 19, 18, 17. Cathodes: Cash £1,111, 10, three months £1,120, 21, 23. Kerb: Three months £1,119, 18.5, 18. Afternoon: Higher Grade: Three months £1,126, 26.5, 27, 26.5, 26, 26.5, 26, 25.5, 25, 25.5, 26, 26.5. Cathodes: Cash £1,116. Kerb: Three months £1,125, 24, 23, 22.5, 23, 24, 25, 26, 25, 24. Turnover: 23,475 tonnes. U.S. Producers: 64.00-68.00 cents per pound.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	1100.5-1	+9.5	1108-9	+20
3 months	1117-0.5	+8.25	1126-0	+17.7
Settlem't	1101	+9.5	—	—
Cathodes				
Cash	1109-10	+15	1015-6	+25.5
3 months	1123-4	+13.5	1151-5	+8.5
Settlem't	1110	+15	—	—

TIN

Tin — Morning: Standard: Cash £9,710, three months £9,710. 3. High Grade: Three months £9,720, 30. Kerb: Three months £9,745. Afternoon: Standard: Three months £9,710, 20, 30. Kerb: Three months £9,725. Turnover: 1,055 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	9745-50	+17	9700-70	+60
3 months	9740-50	+14.5	9760-70	+30
Settlem't	9750	+15	—	—
Standard				
Cash	9710-5	+47	9730-40	+37.5
3 months	9700-5	+12	9755-30	+32.5
Settlem't	9715	+10	—	—
Straits E.	$22.15	—	—	—

LEAD

Lead—Morning: Cash £369, 68, 67.5, 67, three months £349, 49.5, 50, 49, 48. Kerb: Three months £348, 48.5. Afternoon: Three months £349, 47, 48, 47.5, 47. Kerb: Three months £346.5, 46, 47. Turnover: 14,575 tonnes. U.S. Spot: 26.00-28.00 cents per pound.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
Cash	367-5	+1.5	352.5-3.5	−4.50
3 months	348.5-9	−0.5	346.5-7	−2.75
Settlem't	367.5	−1.5	—	—

ZINC

Zinc—High Grade Official/Unofficial Prices: Cash £m 693-8, pm 600.5. Three months am 689-91, pm 684-7. Settlement 695.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
Cash	640.5-1.5	+4.5	637.5	−2.5
3 months	642.5-3	+2.25	640.5-1	−3

Zinc—Morning: Three months £643, 42.5. Kerb: Cash £640, three months £643. Afternoon: Three months £642.5, 43, 42, 41, 40, 40.5. Kerb: Three months £541, 43. Turnover: 6,900 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ALUMINIUM

Aluminium — Morning Cash £916, 15.5, three months £936, 37, 38, 39, 38.5, 39, 39.5, 38, 39. Kerb: Three months [illegible]. Afternoon: Three months £940, 50, 49.5, 49, 48, 50, 51, 50.5. Kerb: Three months [illegible]. Turnover: 8,900 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	916.5-0	+5.75	997.5-85	+18
3 months	938-9	+2.5	950.5-1	+11.5

NICKEL

Nickel — Morning: Three months £3,938, 34. Afternoon: Three months £3,945, 40, 44, 42, 41, 45, 50, 65. Kerb: Three months £3,955. Turnover: 770 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3890-5	+15	3670-80	+25
3 months	3934-8	+17	3958-60	+28.5

SILVER

Silver was fixed 0.8p an ounce higher for spot delivery in the London bullion market yesterday at 615.1p. U.S. cent equivalents of the fixing levels were: spot 752.3c, down 5.5c; three-month 768.5c, down 5.1c; six-month 787.1c, down 5.5c; and 12-month 825.7c, down 5.8c. The metal opened at 614-617p (753-756c) and closed at 616-621p (753-758c).

SILVER per troy oz	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	615.10p	+0.8	617p	+4.8
3 months	629.60p	+0.8	631.25p	+4.75
6 months	643.90p	+1.55	—	—
12 months	672.65p	+1.45	—	—

LME—(2,000 oz contract): Cash 617p (612.5p); three months 631.25p (626.5p). Turnover: 0 (0).

Turnover: 770 (22) lots of 10,000 oz. Morning: Large 1st ring three months 630.0, 29.5; 2nd ring cash 614.5, three months 628.5. Kerb: untraded. Afternoon: large 1st ring three months 631, 2nd ring three months 630, 31, 30.5, 31. Kerb: large three months 631.

GRAINS

Business done—Wheat: Nov 108.00-7.75, Jan 110.25-10.10, Mar 113.60-3.15, May 117.00-6.85, July untraded, Sept 97.50. Sales: 144 lots of 100 tonnes. Barley: Nov 107.50 only, Jan 109.95-9.70, Mar 115.15 to 4.95, May 115.65-5.55, Sept 97.00 [illegible].

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd's close	+ or —
Nov	108.25	—	107.55	—
Jan	110.90	−0.05	109.95	+0.35
Mar	113.60	—	115.15	+0.40
May	117.00	−0.50	115.55	+0.25
July	119.00	−0.20	—	—
Sept	97.50	+0.10	98.70	+0.18

LONDON GRAINS—Wheat: U.S. dark northern spring No. 1 15 per cent Dec 154.50, Jan 160.25, Feb 162.75 transhipment east coast. U.S. No. 2 soft red winter Dec 148.25, Jan 149, Feb 148.75. English feed fob spot 109, Dec 109.75 Boston, Jan 112, Jan/March 113.50. Maize: U.S. No. 3 yellow/French trans-shipment east coast second half Nov/second half Dec 145 quoted. Barley: English feed fob Nov 111, Jan/March 112.50, English Dec 112, Scottish Jan/March 114.75. Rest unquoted.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1920-9200	—	—
Dec	1884-1885	+0.0	1921-1088
March	1836-1830	−5.0	1845-1822
May	1826-1829	−1.0	1849-1825
July	1827-1820	−5.0	1845-1827
Sept	1830-1831	−2.0	1848-1832
Dec	1785-1790	−5.0	1805-1795
March	1780-1790	−4.0	1800-1788

Sales: 4,753 (4,159) lots of 10 tonnes. ICCO indicator prices (U.S. cents per pound) for November 23: Daily price for November 26: 98.10 (98.90); five-day average for November 26: 99.95 (101.38).

COFFEE

COFFEE	Yesterday's Close	+ or —	Business Done
Nov	2585-95	−15.5	2450-80
Jan	2308-10	−18.5	2335-09
March	2850-53	−19.5	2243-27
May	2190-95	−3.5	2230-90
July	2185-90	−4.5	2802-85
Sept	2175-84	−7.5	2181-84
Nov	2182-84	−9.0	2190-85

Sales: 2,800 (1,615) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for November 21: Comp. daily 1979 137.89 (139.11); 15-day average 139.17 (139.11).

POTATOES

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Nov	68.50	65.50	70.00-65.00
Feb	51.50	69.00	—
April	80.70	80.70	81.00-80.50
May	90.70	90.90	91.10-90.80
Nov	67.00	67.00	—

Sales: 436 (656) lots of 40 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $110.50 ($93.50), down $1.00 (£1.00) a tonne for Nov-Dec-Jan delivery. White sugar $157.00, up [illegible]

SUGAR	Yesterday's close	+ or —	Business done
	£ per tonne		
Dec	[illegible]	[illegible]	[illegible]
March	141.5-141.5	+1.25	141.5-140.8
April	144.0-144.1	+1.25	144.3-145.8
May	145.5-145.5	+1.25	144.5-144.8
Aug	148.3-148.8	+1.50	—
October	148.5-158.5	+1.50	—
Dec	152.5-155.5	+1.25	—

Sales: 141 (42) lots of 20 tonnes. 0 (0) lots of 100 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £193.00 (£194.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for November 22: Daily price 3.90 (4.06); 15-day average unavailable (4.55).

SOYABEAN MEAL

	Yesterday's close	+ or —	Business done
	£ per tonne		
Dec	[illegible]	[illegible]	[illegible]
Feb	141.5-141.5	+1.25	141.5-140.8
April	144.0-144.1	+1.25	144.3-145.8
June	145.5-145.5	+1.25	144.5-144.8
August	148.3-148.8	+1.50	—
October	148.5-158.5	+1.50	—
Dec	152.5-155.5	+1.25	—

PIGMEAT

Month	Yesterday's close	Previous close	Business done
	p. per kilo (deadweight)		
Feb	117.20	117.60	117.70-17.20
April	115.90	116.00	116.00-15.60
June	110.50	111.50	110.90-10.50
Aug	114.00	114.50	114.50-14.20
Oct	114.50	114.80	114.50-14.00
Nov	114.80	114.30	114.50-14.00

Sales: 89 (23) lots of 50 carcases.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	27.45-27.65	−0.00
Dubai Fateh	26.70-27.50	−0.00
Arab Heavy	26.30-26.55	—
North Sea (Forties)	27.10-27.46	−0.15
North Sea (Brent)	27.00-27.60	−0.60
African (BonnyLi'ht)	27.70	+0.05
Urals	27.85	+0.05
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	248-251	−1
Gas Oil	225-250	−7
Heavy fuel oil	181-183	−0.5

A further fall on the opening was met by short-covering and the market moved back to unchanged. A large volume of trade took place in a narrow range. More short-covering on the re-opening met renewed selling around the day's highs and the market closed about unchanged, reports Premier Man.

Turnover: 2,787 (3,761) lots of 100 tonnes.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Nov	225.00	−1.00	225.00
Dec	228.75	+0.25	229.50-28.75
Jan	228.50	+0.25	230.25-27.75
Feb	227.75	−0.25	228.75-26.00
March	224.00	+0.75	224.75-23.00
April	220.25	+0.50	221.00-19.00
May	210.00	+2.50	220.25-19.00
June	220.00	+4.00	—
July	290.00	+0.00	—

Turnover: 84 (88) lots of 100 troy ounces.

GOLD MARKETS

Gold fell $½ an ounce from Thursday's close in the London bullion market yesterday to finish at $341¼-341¾. The metal opened at $342-342½ which proved to be the day's high and touched a low of $341-341½. Trading was generally quiet for much of the day and there was little change even after the opening of U.S. centres.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Nov	—	—	—
Dec	342.80	—	342.70-42.10
Feb	347.20	—	347.50-47.20
April	352.5	—	352.50
June	—	—	—
Aug	—	—	—

	Nov. 23		Nov. 22	
Gold Bullion (fine ounce)				
Close	$341¼-341¾	(£280½-281)	$341¾-348¼	(£276¼-278¾)
Opening	$342-342½	(£278¾-279¼)	$343½-344	(£277¼-277¾)
Morning fixing	$342.00	(£272.184)	$342.55	(£277.593)
Afternoon fixing	$341.50	(£270.574)	$341.05	(£277.895)

Gold and Platinum Coins Nov. 23

Krugrand	$332-352½	(£286¼-289¼)	King Sov	$81¼-83	(£67-68)
½ Krug.	$181½-182¼	(£149-149½)	Victoria Sov	$81¼-83	(£67-68)
¼ Krug.	$89½-90½	(£73-74)	French 20s	$60½-61¼	(£49-50)
1/10 Krug.	$37½-38½	(£30¾-31½)	50 pesos Mex	$423¼-425¼	(£347½-349)
Mapleleaf	$352-352½	(£288¾-289¼)	100 Cor Aust	$333-335	(£276¼-275¾)
New Sov.	[illegible]	[illegible]	$20 Eagles	[illegible]	[illegible]

INDICES

FINANCIAL TIMES

Nov. 22	Nov. 21	M'th ago	Year ago
293.78	293.81	283.58	285.74

(Base: July 1 1952 = 100)

REUTERS

Nov. 23	Nov. 21	M'th ago	Year ago
1862.1	1866.7	1896.5	1823.4

(Base: September 18 1931 = 100)

MOODY'S

Nov. 16	Nov. 7	M'th ago	Year ago
986.4	860.0	800.8	1008.0

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Nov. 1	Nov. 7	Month ago	Year ago
Spot	—	126.25	126.3	134.43
Fut	128.94	130.15	132.85	140.75

(Base: December 31 1974 = 100)

AMERICAN MARKETS

NEW YORK, November 23

Precious metals followed currencies and finished lower as the declining interest rates were unable to generate any... speculative... interest, ...reports Heinold Commodities. Copper was moderately lower on heavy arbitrage selling. Aluminium declined on fundamental grounds as producers hedged against indicated surplus production. Sugar prices weakened on reports of consumption being unable to keep up with rising production prospects. Cocoa was moderately lower on strong indications that this year's new crop purchases in West Africa continue to exceed those of last year. Coffee prices were under heavy pressure from steady and active arbitrage. Cotton prices were mixed with nearby strength attributable to harvest delays and quality problems while distant months began to reflect the prospect of rising surpluses. Soyabeans and maize were steady early but sold off on the close as improving weather offered prospects of heavy country marketings after the weekend. Wheat prices finished marginally higher as little progress has been made on completion of winter wheat plantings.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	51.45	51.50	50.95	51.85
Jan	51.90	—	—	52.30
March	52.85	52.95	52.20	53.30
May	53.80	53.75	53.50	54.30
July	54.75	54.70	54.70	55.30
Sept	55.70	55.70	55.70	56.30
Dec	57.15	—	—	57.85
Jan	57.65	—	—	58.35
March	58.65	—	—	59.40

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	2235	2297	2235	2257
March	2098	2140	2090	2121
May	2094	2142	2085	2128
July	2094	2140	2093	2135
Sept	2101	—	—	2142
Dec	2051	—	—	2092
March	2053	—	—	2094

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	138.94	39.40	38.80	39.83
March	136.15	38.75	35.70	36.46
May	135.01	35.50	35.50	35.71
July	134.53	34.60	34.15	34.75
Sept	132.78	33.00	32.90	33.25
Dec	132.01	32.00	32.00	32.25
March	130.28	30.40	30.40	30.55

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Nov	59.50	59.60	59.60	59.95
Dec	59.65	60.30	59.40	60.05
Jan	60.15	60.30	60.30	60.55
March	61.20	61.80	60.90	61.55
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	340.0	342.0	340.0	342.0
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Jan	172.80	172.70	171.90	171.15
March	172.60	172.80	172.70	171.00
May	172.00	[illegible]	[illegible]	[illegible]
July	171.00	70.00	70.00	69.80
Sept	170.00	70.00	[illegible]	[illegible]
Nov	167.95	67.00	67.00	[illegible]
Jan	[illegible]	—	—	[illegible]
March	[illegible]	—	—	[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Nov	754.0	754.5	754.5	758.5
Dec	756.0	759.0	753.0	759.5
Jan	760.7	764.0	763.5	765.3
March	772.4	776.5	770.5	777.2
May	784.5	788.0	784.0	789.6
July	797.0	801.5	798.5	802.8
Sept	810.7	811.0	811.0	816.2
Dec	832.4	835.0	832.0	838.3
Jan	839.6	—	—	845.8

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	4.58	4.73	4.57	4.66
March	5.15	5.35	5.15	5.28
May	5.53	5.68	5.50	5.62
July	5.84	5.97	5.80	5.94
Sept	6.08	6.22	6.08	6.18
Oct	6.25	6.45	6.25	6.43
Jan	6.76	6.90	6.80	6.86
March	7.21	7.40	7.32	7.43

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	68.17	68.30	67.72	67.97
Feb	67.10	67.22	66.67	68.92
April	68.60	68.72	68.20	68.32
June	68.10	68.15	67.62	67.75
August	65.85	65.90	65.15	65.35
Oct	63.60	63.75	63.22	63.25
Dec	64.70	64.70	64.30	63.55

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	53.07	53.50	52.92	53.37
Feb	53.20	53.70	53.10	53.47
April	49.35	49.77	49.30	49.52
June	53.30	53.67	53.15	53.42
July	53.80	53.90	53.50	53.87
August	50.92	51.50	50.80	51.12
Oct	48.00	48.30	47.65	47.65
Dec	48.87	49.07	49.10	48.85
Feb	48.80	48.80	48.80	48.65

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Dec	270.2	273.4	270.0	273.4
March	280.0	282.0	280.0	281.6
May	288.2	290.0	288.0	289.2
July	292.2	294.4	292.0	293.6
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 100 tons, $/ton

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	173.0	173.0	173.0	172.5
Sept	175.0	—	—	174.0
Oct	175.8	—	—	176.0
Dec	176.2	177.5	176.2	176.7

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Dec	361.6	363.0	358.4	361.2
March	361.0	361.6	359.2	361.0
May	353.4	354.2	352.0	353.0
July	341.0	343.0	340.4	342.0
Sept	346.2	—	—	346.2
Dec	357.4	357.4	357.4	358.0

RUBBER

PHYSICALS — The London market opened easier, continued lower throughout the day and closed quiet and easier, reports Lewis and Peat. Closing prices (buyers): spot 60.00p (same). Dec 69.50p (70.00p); Jan 70.25p (70.75p). The Kuala Lumpur Dec fob price for RSS No 1 was 192.75 (193.00) a kg and for SMR 20 was 185 (same).

HGCA — Locational ex-farm spot [illegible] N. East 108.50, Scotland 104.90. The UK monetary coefficient for the week beginning December 3 (based on HGCA calculations using three days' exchange rates) is expected to remain unchanged.

FUTURES—RSS No 1. £ per tonne. Dec 590, 610; Jan 600, 620; Feb 610, 630; Mar 620, 640; April 630, 650; May 640, 660; June 650, 670; July 660, 680; Aug 670, 690 (all untraded); 1985 Jan/Mar 620, 630, 625; 1985 April/June 640, 660, untraded; 1985 July/Sept 670, 690, u/t. Sales: 0 (0) lots of 5 tonnes, 7 (22)

LONDON STOCK EXCHANGE

MARKET REPORT

End-account session closes with markets edging better but still overshadowed by Telecom

Account Dealing Dates
Option

*First Declara- Dealings	tions	Last Dealings	Account Day
Oct 29	Nov 8	Nov 9	Nov 19
Nov 12	Nov 22	Nov 23	Dec 3
Nov 26	Dec 6	Dec 7	Dec 17

* "New-time" dealings may take place from 9.30 am two business days earlier.

The reluctance of investors to commit funds or open new trading positions ahead of the mammoth British Telecom issue led to another dreary session in London stock markets yesterday. The ever-nearing privatisation of the state-owned concern, which will create one of the UK's largest groups, continued to obscure short-term market trends and override any other influence.

Neither sterling's persisting weakness against the dollar nor flickering hopes of cheaper money made any impression on markets. Similarly, continuing concern over world oil prices and news that this year's UK trade deficit was nearing £1bn failed to arouse interest either of a selling or buying nature.

In the absence of any guide overnight from New York, leading shares drifted slightly easier throughout a typical end-of-Account session before steadying during the late afternoon. This followed Wall Street's encouraging response to Wednesday's late announcement of a cut in the key Federal Reserve Discount rate U.S. financial markets were closed on Thursday for the Thanksgiving Day holiday.

After the official close in London, when business is permitted without penalty for the trading Account starting on Monday, many blue-chip industrials extended the rally. The upshot was that the FT Industrial Ordinary share index, which had recovered a fall at all previous calculations, closed 0.4 up on the day at 910.3; on the week, the index was 9.7 lower.

The rises-to-falls ratio of the 30 index constituents was even. Only Lucas Industries recorded a noteworthy movement, rising 11 more to 277p in front of publication of the full report and accounts; the shares will be quoted in ex-dividend form on Monday.

Gilt-edged stocks lost a little ground initially but firmed later on revived overseas demand. Foreign investors were evidently not too concerned about sterling and their interest eventually stirred up light domestic support. Short and longer-dated Gilts both benefited and closed with gains of around ¼, while index-linked stocks also returned to favour and settled ⅛ up in places.

Lloyds brokers firm

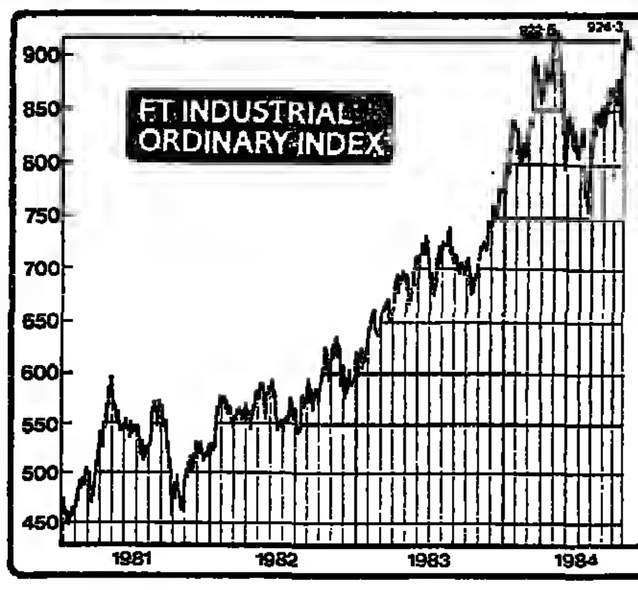
Lloyds brokers gave another robust performance. C. E. Heath continued to reflect the good interim results and rose 14 for a gain on the week of 42 to 510p, while Willis Faber attracted fresh demand and closed 10 up at 513p. Life Insurance issues gradually improved after a cautious start and ended on a firm note. Equity and Law finished 8 up at a 1984 peak of 223p, while Britannic firmed 5 to 545p. Prudential, down to 458p initially, recovered well to close just 4 cheaper on balance at 463p. Among Composites, Royals were a particularly good market and rose 7 to a 1984 peak of 525p.

The major clearing banks sustained minor falls during another subdued trade. Lloyds opened a few pence lower at 510p following Press comment on the Saudi Arabian debt situation and remained at that level throughout.

Access Satellite, which makes and sells work platforms to the construction and civil engineering industry, staged a bright debut in the Unlisted Securities Market: the shares, offered-for-sale by tender at 150p, with a striking price of 160p, opened at 164p and moved ahead strongly to close at 192p.

Breweries finished the week on an uncertain note as investors adopted differing views about the sector's prospects awaiting further trading statements. Allied-Lyons eased the turn to 167p in front of Tuesday's half-timer; analysts expect pre-tax profits of around £100m. Bass, on the other hand, attracted occasional support after-hours and closed 5 dearer at 435p. Whitbread, which kicked off the dividend season in uninspiring style on Wednesday, gave up 5 to record a five-day decline of 12 to 187p.

Leading Buildings presented a jaded appearance. BPB Industries lost 8 to 290p ahead of next Wednesday's interim results, while recently firm RMC gave up 10 to 400p. Barratt Developments, a dull market earlier in the week following the chairman's warning about first-half profits, eased to 84p prior to closing a couple of pence cheaper on balance at 86p. French Kier, after falling 6 on Thursday in the wake of a cautious statement and the half-year figures, reacted afresh to 124p prior to closing a penny off at 127p. Against the trend, C. H. Pearce rose 38 to 700p in a restricted market, while Ward Holdings firmed 3 to 135p on late support.



ICI fluctuated narrowly around the overnight level of 650p before edging ahead on early Wall Street influences to close 4 dearer at 654p. Late demand left Coates Brothers 2 dearer at 119p, but profit-taking clipped that amount from Yorkshire Chemicals, at 62p.

Dixon's offer extended

Currys advanced 9 to 514p in late dealings as the bitterly contested offer from Dixons was extended until next Friday; Dixons rose 7 to 409p.

Leading Stores drifted aimlessly throughout the session, but responded to persistent enquiry after-hours and finished a shade firmer for choice. Woolworth, buoyant of late following a chart "buy" signal, firmed 5 for a five-day advance of 40 to 583p. Habitat Mothercare added 4 at 386p in front of Thursday's mid-term statement, while Raybeck attracted "call" option business and hardened a couple of pence to 31p reflecting Press-inspired takeover speculation. GUS A, on the other hand, dipped 10 to 650p following the annual meeting.

Speculative demand prompted some noteworthy movements among second-line Stores. Dunhill rose 5 to 218p awaiting Monday's interim figures, while sporadic support was also noted for Fortnum and Mason 2½ points better at £23. S. Simpson A 7 up at 190p, and Ellis and Goldstein, 2½ to the good at 75p.

FII advanced 11 to 203p as traders expressed satisfaction with the proposed rights issue to finance the expansion of its Fiona Footwear subsidiary.

Electricals passed a rather uninspiring session. Leading issues closed a shade dearer and occasional movements in secondary issues included MBT Computing, which gained 10 to 210p on revived demand. Brikat rose 5 more to a new 1984 peak of 237p.

A quiet trading session in leading Engineerings left quotations little altered on balance. Elsewhere, Redman Heenan met with nervous selling and fell 4½ to 41p; several institutional holders indicated yesterday that they were still prepared to support the company and had heard nothing to stop the proposed reorganisation going ahead. IMI were favoured and improved 3 to 99p, but Haden, a good market of late, reacted 6 to 186p.

Leading Foods closed with small irregular movements. Dee Corporation, which rose 12 on Thursday following the £180m acquisition of the International Stores food retailing chain from BAT Industries, opened higher at 192p, but subsequently drifted back to close only a penny dearer on balance at 187p. S. and W. Berisford fell 4 to 181p on lack of support, while Bassett slipped 3 to 155p ahead of next Thursday's half-year figures. Comment on the company's protein production problems unsettled Bio-Isolates, 7 down at 43p, but good interim results lifted Meadow Farm Produce 7 to 267p, after 270p.

The after-hours' action centred on Cullens Stores issues following two new bids for the group: the Ordinary and A dipped to 420p and 315p respectively on news of an offer from Mr Lewis Cartier's Aromaglade, but the subsequent announcement of a bid by St Pauls Stores pushed the Ordinary back up to 440p, up 5 on the day, and lifted the A to 340p, a gain of 10 on balance.

Wedgwood good

Wedgwood closed 10 up at 189p, after having made a new peak for the year of 192p, on the bumper interim results. Elsewhere in the miscellaneous industrial sector, renewed bid speculation left Metal Closures 14 to the good at 162p, a two-day rise of 26. Extel, in contrast, gave up 5 more to 298, while Sketchley, 6 lower at 384p, continued to drift lower after the half-year results. Thursday's rally in Johnson Matthey, down 5 at 88p, proved to be short-lived, but Booker McConnell picked up a few pence to 208p after the previous day's sharp reaction on fears that Dee Corporation might not renew its bid. Profit-taking clipped 5 from F. H. Tomkins, at 120p, while J. W. Spear eased a like amount to 118p for a similar reason. Hoskins and Horton rose 8 to 268p on the announcement that the company is holding discussions with a third party which could lead to higher cash offer than the Scottish Heritable Trust cash alternative. Late speculative demand lifted Marley 3 to 97p, but Polly Peck ran back to 237p after recent firmness before recovering to close only 5 off on balance at 242p; the interim figures are expected shortly. Revived demand left Cope Allman 8 to the good at 125p, but Gestetner A met with selling and gave up 4 at 54p. Cosalt fell 6 to 50p.

The Leisure sector displayed several interesting movements. Recently-depressed Riley Leisure revived strongly and gained 8 to 41p, while Owners Abroad attracted late buying interest and firmed 2½ to 19½p. GRA gained 3½ to 63p, after 64p, on news that the company had agreed to sell four greyhound racing stadia, while Piccadilly Radio rose a penny to 23½p following the satisfactory annual results and confident statement. Elsewhere, Samuelson Group slipped 10 to 910p awaiting news from the annual general meeting. Aspinall gave up 6 to 118p on end-Account influences.

Lucas Industries stood out in the after-hours' trade, rising 11 to 277p; sentiment was given a boost by the bullish tenor of the annual report. Jonas Woodhead raised a week's gain of 8 at 40p. IEP Securities, the Australian investment concern headed by Mr Ron Brierley, recently disclosed a 10.8 per cent stake in the vehicle suspension specialists. Elsewhere in Motors, dealings in Glanfield Lawrence were suspended, at 52p, after the company revealed that it expected to miss the 1984 profit forecast.

Digestion of the formal offer document and BPCC's apparent unwillingness to increase its bid prompted weakness in John Waddington which dipped to 515p before settling a net 25 off at 520p, BPCC improved 8 to 176p.

Properties were selectively firm. MEPC edged up a couple of pence to 334p ahead of next Wednesday's annual results, while SCtock Conversion, a firm counter recently on takeover speculation, hardened 2 more to a year's high of 328p. Peel Holdings rose 8 to 283p in a restricted market, while Apex gained 6 to 125p and Stockley 5 to 70p, both on speculative buying.

Textiles gave ground in modest trading. Courtaulds, due to announce mid-term results next Tuesday, eased a couple of pence to 120p. Nottingham Manufacturing, 209p, and Coats Patons, 133p, both shed around 4. Tomkinsons hardened a few pence to 108p on recovery prospects following maintenance of the annual dividend.

Bats improved 3 to 277p as a number of brokers recommended purchases in the light of the sale of its International Stores chain to Dee Corporation. Rothmans, however, were nervous in front of next Tuesday's interim figures and gave up 4 to 145p.

Oils rally

An initial mark-down of leading oils amid growing concern over recently declining spot prices tended to stifle any further selling pressure and many issues subsequently staged a modest rally. BP moved up from an opening level of 478p to close a net 3 harder at 485p while Shell ended the day 5 firmer at 615p, after 608p. LASMO, a firm market over the past couple of weeks reflecting persistent bid rumours, rallied from 346p to close a couple of pence higher at 350p following the encouraging oil and gas flows recorded in the third appraisal well drilled on the Joanne field in the North Sea.

Golds edge higher

Developments in foreign exchange markets yesterday remained the dominant factors in the South African sectors of mining markets. The absence of any significant investment business, a virtually static bullion market and the closure of Wall Street on Thursday saw Golds open at around the previous day's closing levels and move narrowly throughout the rest of the session in dollar terms. Sterling quotations, however, gradually moved up in line with the U.S. currency and generally closed with modest gains on balance.

The Gold Mines index, registering its third successive improvement, rose 3.9 more to 576.2 to show a marginal gain over the week. Bullion closed a net 50 cents off at $341.5 an ounce, a decline of $3.75 during the five-day period.

South African Financials showed minor movements in either direction, but London-domiciled issues provided a firm feature in Charter Consolidated which improved late to close higher at 205. Rio Tinto-Zinc suffered from a general lack of interest and drifted back to end the day 6 off at 622p, while Consolidated Gold Fields eased 3 to 560p, after 565p. East Rand Consolidated attracted speculative interest and hardened a couple of pence to 61p.

Australians gave ground throughout the morning and early afternoon, depressed by the poor performance overnight in Sydney and Melbourne markets, but staged a modest rally after-hours following the strong opening on Wall Street. CRA had an initial fall of 6 reduced to one of 2 at a closing level of 372p. Speculative Golds continued to attract persistent interest, especially Sons of Gwalia, which moved up 5 more to a 1984 high of 72p. Australian Consolidated Minerals were 2 harder at a year's best of 54p and United Goldfields improved a like amount to 34p.

Traded options finished the week on a subdued note with 2,623 contracts struck—the lowest total since mid-October. Hanson Trust attracted 209 calls, 104 in the December 260's, while Courtaulds recorded 167 calls and 82 puts; the latter's interim figures are expected next Tuesday. A lively two-way business developed in Shell with 139 calls and 138 puts done. The week's daily average amounts to 4,012.

FINANCIAL TIMES STOCK INDICES

	Nov. 23	Nov. 22	Nov. 21	Nov. 20	Nov. 19	Nov. 16	Year ago
Government Secs.	82.94	82.91	09.59	83.04	83.14	83.33	82.98
Fixed Interest	86.02	86.19	86.04	86.26	86.34	86.32	86.04
Industrial Ord	910.3	909.9	918.7	912.8	219.1	920.0	738.5
Gold Mines	578.2	072.3	067.9	1561.0	561.5	576.8	884.5
Ord. Div. Yield	4.69	4.69	4.64	4.65	4.65	4.64	4.70
Earnings, Yld.% (full)	11.29	11.29	11.18	11.95	11.19	11.15	9.58
P/E Ratio (net) (*)	10.01	10.61	10.72	10.64	10.71	10.72	12.74
Total bargains (Est.)	21,880	19,226	22,240	20,199	20,111	19,418	20,178
Equity turnover £m.	—	313.62	310.78	218.36	244.04	284.64	306.78
Equity bargains	—	16,724	16,530	18,416	10,435	10,887	20.093
Shares traded (ml)	—	164.5	146.7	120.0	125.9	142.6	161.0

10 am 907.4. 11 am 907.8. Noon 907.4. 1 pm 907.2.
2 pm 907.2. 3 pm 906.5.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.
Latest Index 01-246 8026.
* Nil=10.20.

HIGHS AND LOWS

—	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (8/1)	75.72 (30/7)	127.4 (9/1/35)	49.12 (3/1/75)
Fixed Int.	87.48 (14/8)	80.43 (30/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	924.3 (15/11)	755.2 (25/7)	924.3 (15/11/84)	49.4 (26/6/40)
Gold Mines	711.7 (8/3)	485.7 (1/8)	734.7 (15/2/83)	43.5 (28/10/71)

S.E. ACTIVITY

	Nov. 22	Nov. 21
Daily		
Gilt Edged Bargains	150.6	146.2
Equities Bargains	108.4	100.6
Equities Value	632.9	628.1
5-day Average		
Gilt Edged Bargains	151.2	142.2
Equities Bargains	109.0	102.9
Equities Value	554.4	543.0

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983 based on Thursday, November 22, 1984

Tobaccos	+41.80	Property	+18.34
Insurance Brokers	+37.15	Capital Goods	+16.20
Health and Household Products	+32.20	Textiles	+15.64
Office Equipment	+31.72	Building Materials	+15.23
Other Industrial Materials	+26.28	Investment Trusts	+13.24
Discount Houses	+26.13	Shipping and Transport	+11.36
Food Retailing	+25.58	Oils	+10.57
Mechanical Engineering	+26.62	Financial Group	+10.27
Newspapers, Publishing	+24.49	Motors	+10.19
Consumer Group	+24.28	Banks	+ 8.02
Stores	+23.20	Other Consumer	+ 8.00
Food Manufacturers	+22.91	Contracting, Construction	+ 8.42
Brewers and Distillers	+22.64	Leisure	+ 4.60
Insurance (Composite)	+22.13	Chemicals	+ 3.92
Packaging and Paper	+22.12	Insurance (Life)	+ 2.60
Industrial Group	+20.75	Mining Finance	+ 3.27
500 Share Index	+19.12	Gold Mines Index	− 0.59
Other Groups	+18.51	Electricals	− 4.81
Electronics	+17.47	Metals and Metal Forming	−10.19
Overseas Traders	+17.27	Merchant Banks	−13.77
All-Share Index	+18.91		

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Nov 19	Nov 30	Feb 21	Mar 4
Dec 3	Dec 14	Mar 7	Mar 18
Dec 17	Jan 4	Mar 21	Apr 1

For rate indications see end of Share Information Service

Money was given for the call of Access Satellite, Raybeck, Burmah Oil, Cluff Oil Warrants, Combined Technologies, Astra Industrial, Johnson Matthey, Lasmo, BSG International and Gestetner A. No puts were reported, but doubles were transacted in Reardon Smith A, Raybeck and Gestetner A.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Booker McConnell	208	+ 3	ICI	654	+ 4
BP	485	+ 3	LASMO	350	+ 2
Commercial Union	167	− 2	Royal Insce	525	+ 7
Cope Allman Intl	125	+ 8	Metal Closures	162	+14
Dee Corp	187	+ 1	Shell Transport	615	+ 5
Heath (C. E.)	510	+14	Wedgwood	189	+10

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Nov 23 1984 Index No.
1 CAPITAL GOODS (205)	541.13
2 Building Materials (23)	512.48
3 Contracting, Construction (30)	717.89
4 Electricals (14)	1576.03
5 Electronics (34)	1934.12
6 Mechanical Engineering (61)	262.89
8 Metals and Metal Forming (9)	160.06
9 Motors (17)	136.61
10 Other Industrial Materials (17)	763.24
21 CONSUMER GROUP (190)	573.08
22 Brewers and Distillers (23)	537.09
25 Food Manufacturing (22)	451.45
26 Food Retailing (12)	1351.94
27 Health and Household Products (9)	938.60
29 Leisure (23)	646.49
31 Newspapers, Publishing (13)	1361.31
32 Packaging and Paper (14)	267.64
34 Stores (46)	524.13
35 Textiles (19)	284.75
36 Tobaccos (3)	738.35
39 Other Consumer (7)	503.55
41 OTHER GROUPS (88)	501.19
42 Chemicals (17)	654.89
44 Office Equipment (4)	143.57
45 Shipping and Transport (13)	897.62
46 Miscellaneous (54)	712.97
49 INDUSTRIAL GROUP (483)	557.84
51 Oils (17)	1025.02
59 500 SHARE INDEX (500)	599.06
61 FINANCIAL GROUP (116)	407.00
62 Banks (6)	401.97
63 Discount Houses (6)	472.63
65 Insurance (Life) (9)	525.25
66 Insurance (Composite) (7)	303.95
67 Insurance (Brokers) (6)	895.55
68 Merchant Banks (12)	210.20
69 Property (53)	526.66
70 Other Financial (17)	243.68
71 Investment Trusts (105)	544.92
81 Mining Finance (4)	287.55
91 Overseas Traders (14)	584.64
99 ALL-SHARE INDEX (739)	549.62
FT-SE 100 SHARE INDEX	1158.8

FIXED INTEREST

PRICE INDICES	Fri Nov 23	Day's change %	Thur Nov 22	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	118.78	+0.21	118.53	—	10.53
2 5-15 years	132.46	+0.18	132.29	—	12.20
3 Over 15 years	140.92	+0.10	140.77	—	12.18
4 Irredeemables	152.02	+0.02	151.98	—	13.34
5 All stocks	130.69	+0.15	130.50	—	11.72
6 Debentures & Loans	110.17	−0.09	110.27	—	10.19
7 Preference	77.41	+0.17	77.28	—	6.31
BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8 All stocks	108.47	+0.53	107.90	—	2.44

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES: Minster Assets (66) has been deleted, no replacement. Kent (M.P.) (69) has been deleted, no replacement.

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (73)

NEW LOWS (22)

RISES AND FALLS

	Rises	Falls	Same
British Funds			
Corpns. Dom. and Foreign Bonds			
Industrials			
Financial and Props.			
Oils			
Plantations			
Mines			
Others			
Totals			

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the last previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

STERLING ISSUES BY FOREIGN GOVTS. & INTNL. INSTITUTIONS

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable in London)

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

St Austell Brewery 5pc1stPf (£1) 48 50 (21 11)
Servis (1p) 3½ 4½
Seymours 4pcPf (£1) 40
Southern Newspapers (£1) 253 8 (20 11)
Stead Simpson 4½pcDbs 1859 £37pc 40pc (21 11)
Tadcale Invs (10p) 25 8
Trident TV (10p) 147 8 (19 11)
Welsh Inds Inv Tst Pfd (5d) 28 0 30 (20 11)
Winchmore 40½

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Acmex Hldgs 88
Adelaide Steamship 595●
Agnico-Eagle Mines 850
Algoma Central Rlwy £11
Algoma Steel Corp £10.70
Alhane Explor 22●
Alliance Oil Devel 72½● 2
Amatil 273
Amerada Hess 520½

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration.

(None)

(By permission of the Stock Exchange Council)

LONDON TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

APPOINTMENTS

Lloyds Bank senior posts

Mr E. J. Dawson has been appointed an assistant chief general manager of LLOYDS BANK, from February 1. He succeeds Mr T. J. Howes, who is retiring. His responsibilities will include UK branch banking operations and Black Horse Agencies. Mr Dawson is a general manager of Lloyds Bank who was seconded in 1982 to Lloyds Bank International as an executive director responsible for the European division.

Four appointments have been made at Lloyds Bank International from January 1. Mr A. L. Kingshott, director in charge of marketing and planning, will become deputy chief executive. Mr T. E. S. Hodgson, director and senior executive vice-president of North America division based in New York, will become a senior director while retaining his present responsibilities. Mr Guy Huntrods, director of the Latin America division since 1975 will retire on December 31 1984. He will be succeeded by Mr D. B. Pirrie, general manager, Lloyds Bank Group headquarters, who will return to LBI as a senior director, with responsibility for the Latin America and Far East divisions. Mr P. G. Brown will become a director of the bank and will be responsible for the European division in succession to Mr E. J. Dawson. Mr Brown will also continue for the time being in his present role as chief executive of the LBI subsidiary, Schröder, Münchmeyer, Hengst & Co.

★

Mr Naushad Jivraj, has been appointed chief executive and managing director of LONDON PARK HOTELS from November 30 following the resignation of the managing director Mr R. H. Harvey. On the same date, Mr Peter Smith will become managing director—operations.

Mr Alistair Rayne has been appointed company secretary and financial controller of London Park.

★

STC TELECOMMUNICATIONS has appointed Mr Peter Gordon to the newly-created post of director and general manager, defence systems division. He was appointed general manager of defence systems division upon its formation in November 1980.

★

Mr N. J. F. Samengo-Turner has joined DEVITT (BLOODSTOCK), part of the Devitt Group, as a director.

★

Mr Martin Beazley has been appointed marketing director of FAME COMPUTERS.

★

Mr Mike Hall has been appointed sales director of CASTELL SAFETY INTERNATIONAL, a Halma safety division subsidiary.

★

Mr Eddie Taylor, previously managing director and chief executive of VENT-AXIA, becomes executive chairman, while Mr Peter Barrett, formerly marketing and export director, has been appointed managing director and chief executive. Mr Don Spearman, previously overseas marketing associate director, becomes marketing and export director. Mr John Stevenson moves from production manager to production and supplies director, and southern regional sales manager Mr Alan Addinall becomes an associate director.

★

Mr Peter Charlton, previously sales development manager for MILESTONE LEASING, has been appointed to the board. Milestone is a subsidiary of EXCO International.

★

DEWHURST & PARTNER has appointed Mr Santosh K. Mathur as engineering director. He was with Otis Elevators.

★

COMPUTATIONS STRUCTURED SYSTEMS, Reigate, a subsidiary of Australian financial and insurance software supplier, Computations Pty, has appointed Mr J. A. (Tony) Geddes as chairman. He is a partner in R. Watson & Sons, consulting actuaries, and chairman of Trans-International Life Insurance Co, a UK subsidiary of Transamerica Corp, California.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Int.	115.2	121.9	-0.2	9.24
High Inc Equity	64.9	69.0	-0.4	6.52
Worldwide Bond	154.1	165.5	+0.9	5.92
Capital Growth				
American Growth	115.5	122.9	+0.8	1.85
Assets & Emgs. Tt.	64.8	69.3	-0.2	3.25
Capital Reserve (z)	55.9	56.2	.....	0.75
Commodity & Engy.	77.6	83.2	+0.4	2.65
General	96.5	103.2	-1.0	2.95
Japan	164.1	175.7	+1.0	0.02
UK Growth	61.1	63.7	-0.2	2.59
Acc. Units	86.3	92.8	-0.2	2.59
U.S. Emerging Co's	49.0	52.1	+0.4	0.50
Equitas Prog.	141.3	151.1	-0.6	2.59

Aitken Hume
30, City Road, EC1Y 2AV. 01-628 6625

American Tech Fd	115.8	123.9	+1.1	0.10
Exempt	399.7	427.6	.....	—
Pacific Fd	134.2	143.6	+2.4	0.20
Secured Income Fd	122.8	131.4	-0.2	5.88
Special Sits	150.0	160.5	-0.7	1.56
Energy Fd	35.2	37.7	+1.1	0.60
American Majors	52.2	55.8	+0.8	2.26
Small Co's Fd (10for1)	27.0	28.7	.....	1.97
Jap. Technology	66.1	70.7	+0.5	0.20

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex
Brentwood. (0277) 211459 & 229123

Balanced Trusts and Income Trusts				
First Trust	146.5	155.2	-0.8	4.66
Growth & Income Tst.	93.2	98.8	-0.7	3.99
Capital Trust	175.4	185.9	-1.3	3.03
Balanced Trust	257.2	272.6	-1.7	3.94
Accum. Trust	373.9	396.3	-2.7	3.59
American Income	26.6	28.2	+0.3	4.43
High Income Trust	162.2	171.9	-0.9	5.13
Equity Income Trust	90.3	95.7	-0.5	5.98
High Yield Trust	106.4	112.8	-0.7	6.94
Govt. Secs. Trust	28.5	29.7	-0.1	9.70
International Trusts				
International Trust	61.4	65.1	+0.3	1.81

Britannia Group—Continued

General Funds				
UK Growth (Dementer)	28.1	30.0	-0.3	3.39
Exempt Funds				
Exempt	289.6	303.2	-1.5	4.77
Ex. Mr. Ldrs	57.9	60.6	-0.6	3.34
KEL Trusts				
Nelstar Gilt & F.I.	66.7	68.4	-0.1	9.46
Nelstar High Income	53.2	56.0	-0.4	6.85

Brown Shipley & Co. Ltd. (a)(g)
9-17 Perrymount Rd, Haywards Hth. 0444 458144

B.S. Fund	44.5	47.9	-0.2	4.58
B.S. Accum.	71.0	76.4	-0.4	4.58
Financial	83.3	89.2	-0.3	3.34
Growth Accum.	148.9	160.2	-0.7	2.04
Growth Income	98.3	105.4	-0.5	2.04
High Income	42.9	46.1	-0.4	6.59
Income	45.5	50.7	+0.4	5.62
North American	47.1	50.6	+0.2	1.57
Orient	48.3	51.8	+0.2	0.20
Recovery	24.1	25.9	-0.1	4.57
Technology	142.2	153.0	+0.4	0.54
Exempt	119.9	150.6	-1.3	4.27

Buckmaster Management Co. Ltd. (a) (c)
The Stock Exchange, EC2P 2JT. 01-588 2868

General Inc Nov 22	149.5	156.8	.....	3.98
Accum Units Nov 22	227.7	238.7	.....	3.90
Income Nov 21	71.3	75.3	.....	3.60
Accum Units Nov 21	116.0	123.3	.....	5.60
Intl November 20	99.3	104.3	.....	2.44
(Accum Units) Nov 20	128.6	135.1	.....	2.44
Smaller Co's Nov 23	845.1	903.8	+3.6	1.59
(Accum Units) Nov 23	881.1	942.4	+3.8	1.59

Canada Life Unit Trust Mngrs. Ltd.
2-6 High St, Potters Bar, Herts. P Bar 51122

Can. Gen Dist.	81.6	85.9	-0.5	3.09
Do. Gen. Accum	123.2	129.2	-0.9	3.09
Do. Income Dist.	55.5	58.4	-0.3	6.52
Do. Inc. Accum.	106.0	112.6	-0.6	6.52
Gilt & Fxd. Int. Trust	34.9	36.7	.....	—

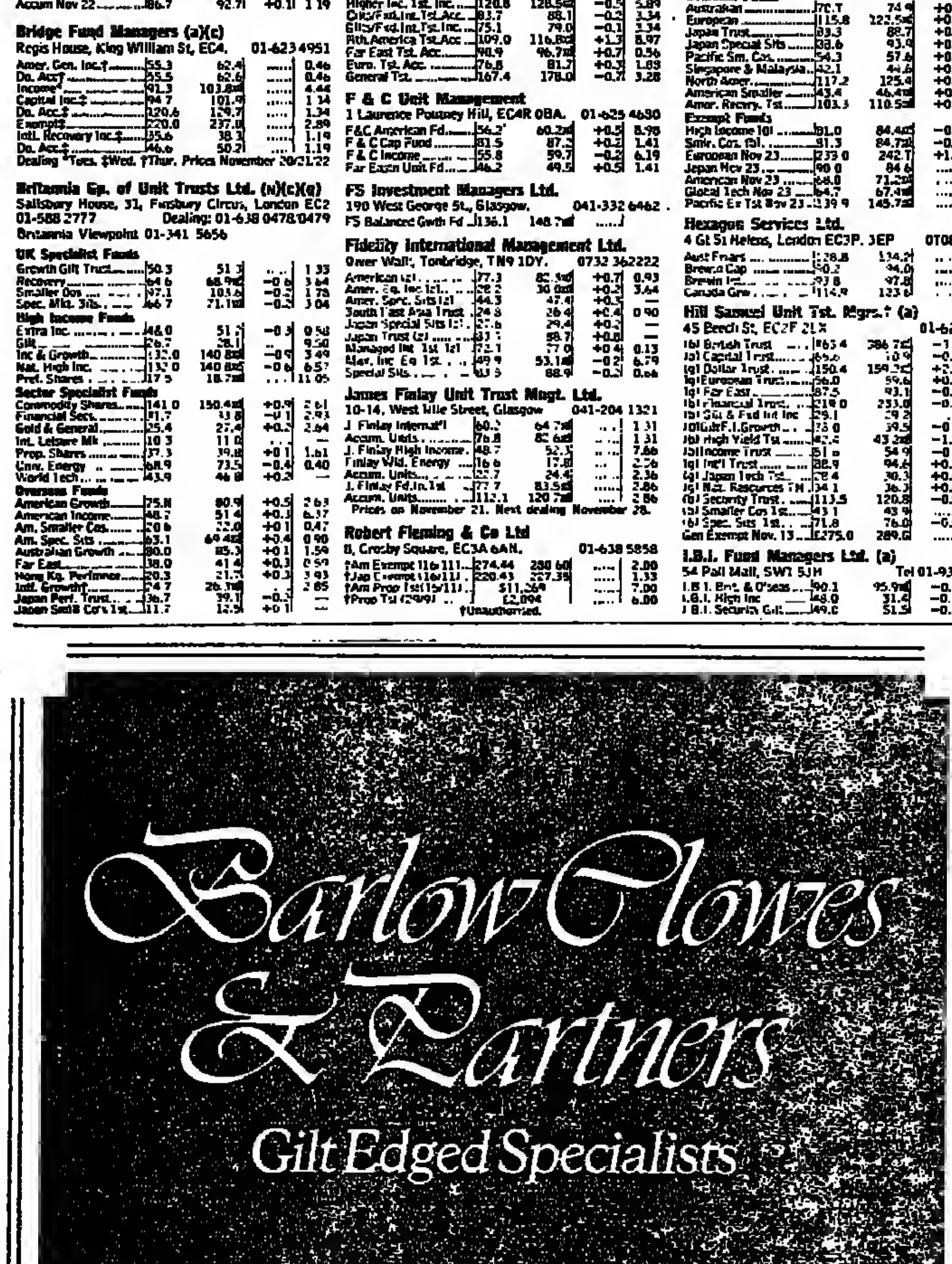
Cannon Fund Managers Ltd. (z)
1, Olympic Way, Wembley, HA9 0NB. 01-902 8876

Growth	197.8	210.4	-0.6	3.79
Income	227.0	241.5	-0.3	5.20
Far East	119.3	126.9	+0.7	5.28
North American	106.2	113.0	-0.3	2.11

Capel (James) Mngt. Ltd.
100, Old Broad St, EC2N 1BQ. 01-588 6010

FT UNIT TRUST INFORMATION SERVICE

INSURANCES



INSURANCE, OVERSEAS & MONEY FUNDS

Save & Prosper Group
28, Western Rd, Romford RM1 3LB. 0708-66966

Global Equity Fund (z)	87.5	92.6	+0.3	—
Bal. Inv. Fd.	277.6	291.8	+0.3	—
Property Fd.	281.1	299.6	.....	—
Gilt Fd.	234.9	248.6	+0.6	—
Deposit Fd.‡	193.7	205.0	.....	—
Man. Pens. Fd.	58.4	61.8	+0.2	—
Equity Pens. Fd.	59.7	63.2	−0.2	—
Prop. Pens. Fd.	54.0	57.2	.....	—
A. G. Bond Fund (z)	69.8	73.9	.....	—
Dep Pen Fd‡	51.4	54.4	.....	—
Gilt Pens Fd	52.1	55.4	+0.2	—
Global Eq Pens Fd	67.8	71.8	+0.2	—

‡Weekly dealings.

Schroder Life Assurance Ltd.
Enterprise House, Portsmouth. 0705 827733

Equity	540.2	568.7	+0.6	—
Fixed Interest	259.2	272.9	−0.3	—
Managed	292.2	307.7	+0.1	—
Deposit	181.5	191.3	+0.1	—
Overseas	182.7	192.4	+1.1	—
Property	281.7	296.7	.....	—
American	182.7	192.4	−0.5	—
Australian	135.7	142.9	−0.3	—
European	180.5	190.1	+2.3	—
Gilt & Fxd Int	143.0	150.7	+0.2	—
Income Accum.	236.3	248.8	−0.3	—
Income Distrib.	187.5	197.5	−0.2	—
International	180.5	190.1	+2.3	—
Japan Smlr Co's	112.7	118.8	+0.2	—
Singapore & Malay	131.1	140.1	+2.4	—
Smaller Co's	236.9	249.5	+1.0	—
Tokyo	205.6	216.6	+1.5	—
U.K. Equity	220.1	231.7	+0.9	—
CCM Vanguard Mngd	235.0	247.4	−0.6	—
Equity Pension	314.7	331.4	+0.6	—
Fxd Int Pension	210.5	721.7	−0.3	—
Guaranteed Pens.	114.9	121.1	+0.1	—
Index-Linked Pens.	98.5	101.8	.....	—
Managed Pension	715.6	751.4	+0.7	—
Deposit Pension	112.5	118.6	+0.1	—
Overseas Pension	183.4	193.1	+4.0	—
Property Pension	248.1	261.2	.....	—
Special Ex Pension	183.5	193.2	−0.1	—

Prices are for Life Series 4 Accum; Pension Series C Accum Nov 22.

Scottish Amicable Investments

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Managed	277.6	292.3	+0.2	—
Property	238.4	251.0	.....	—
Fixed Int.	159.3	167.7	−0.2	—
UK Equity	254.9	270.5	−0.8	—
Int. Equity	216.5	230.0	+1.9	—
Deposit	138.5	145.8	.....	—
American Eagle	102.2	107.6	+1.1	—
Technology	81.6	85.9	+0.4	—
U S Special Bond	117.1	131.3	+0.8	—
Pacific	100.4	105.7	+1.2	—
Australian	118.2	124.5	+0.3	—
Japan	154.9	163.1	+1.6	—
Malaysia & S'pore	108.6	114.4	+1.2	—
Commodity	123.8	130.4	+0.1	—
Energy	80.1	84.4	−0.3	—
Gold	128.6	135.4	+0.7	—
Financial	130.6	137.5	+0.5	—
Income	142.8	150.4	−1.1	—
Special Situations	161.1	169.6	−0.1	—
Preference	103.6	109.1	.....	—
Managed Currency	76.2	80.3	+0.2	—
Sterling	—	—	.....	8.5
Pension Funds				
Managed Pension	721.5	759.5	+4.6	—
Gilt Pens.	297.4	313.1	−0.6	—
Property Pens.	324.4	338.4	+1.9	—
Equity Pens.	286.5	301.6	−2.6	—
American Pens.	81.9	86.3	+0.8	—
Technology Pens.	76.8	80.9	+0.3	—
Japan Pens.	128.7	135.5	+2.5	—
Australian Pens.	104.9	110.5	+0.3	—
Commodity Pens.	98.7	103.9	.....	—
Energy Pens.	84.5	89.0	−0.3	—
Gold Pens.	90.6	95.4	+0.4	—
Index-L Plan	107.4	111.1	+0.1	—
Guar. Pen.	205.0	215.8	+0.1	—
Currency Pens.	104.4	109.9	+0.3	—

Prices quoted are for Accumulation units.

Transinternational Life Ins. Co. Ltd.
55-57, High Holborn, WC1V 6OU. 01-831 7482

Series 2 Man. Fd.	179.9	208.3	.....	—
Series 2 Equity Fd.	241.6	254.3	.....	—
Series 2 Prop. Fd.	192.0	202.9	.....	—
Series 2 Fixed Int. Fd.	190.1	200.1	.....	—
Series 2 Money Fd.	135.7	142.8	.....	—

OFFSHORE AND OVERSEAS

Wren Commodity Management Ltd
10, St George's St. Douglas, IoM. 0624 25015

Wren Com Fd	12.8	13.3	....	3.10
Chinese Fd	59.9	63.4	....	1.70
PrecMedFd	122.7	127.0	....	8.20
VangCmdyFd	27.8	29.5	−1.6	—
FinFuturesFd	32.4	33.0	....	—

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg.

DynmcGthFd	59.42	....	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Melfinhall Ltd 36 Berkeley Sq. W1X 5DA. 01-498 6654				
M'hallMnyFd	9.125	9.442	Qtr	Call
The Money Market Trust 63 Qn Victoria St. EC4N 4ST. 01-238 0952				
Call Fund	9.32	9.58	6mth	Call
7-Day Fund	9.75	10.05	6mth	7-day
Oppenheimer Money Management Ltd 66 Cannon St. EC4M NAE. 01-250 1425				
Call Fund	[illegible]	9.01	6mth	Call
7-day Fund	9.65	9.80	6mth	7-day
MnyMngAc	8.07	9.17	3mth	Call
Dollar	7.50	7.68	6mth	2-day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume 30 City Road. EC1Y 2AY. 01-630 6070				
TreasuryAcc	9.625	9.96	Qtr	Call
Mth Int Chq	9.625	10.06	Mth	Call
Bank of Scotland 38 Threadneedle St. EC2P 2EH. 01-826 6060				
Cheque Acc	8.45	9.37	Mth	Call
Barclays Prime Account PO Box 125, Northampton. 0604 252891				
High Int Chq	9.25	9.57	Qtr	Call
Britannia Grp of Investment Companies 29 Finsbury Circ. EC2M 5QL. 01-588 2777				
Cater Allen	9.75	10.198	Mth	Call
Charterhouse Japhet plc 1 Paternoster Row. EC4M 7DH. 01-248 3999				
Sterling	9.50	9.92	Mth	Call
U.S. Dollar	8.50	6.96	Mth	Call
German Marks	5.0	5.19	Mth	Call
Swiss Franc	2.0	2.05	Mth	Call
Japanese Yen	5.0	5.10	Mth	Call
Choulartons 30 Ashley Rd. Altrincham, Cheshire, WA1 20W. 061-926 9011				
Cheque Acc	10.25	10.75	Mth	Call
Co-operative Bank 78-80 Cornhill EC3. 01-628 8545 Ext 464				
Cheque&Save	8.00	6.24	Qtr	Call
Over£1,000	10.00	10.36	Qtr	Call
Dartington & Co Ltd Dartington, Totnes, Devon, TQ9 6JE. 0803 862271				
MnyMktAcc	10.25	10.88	Qtr	Call
Lombard North Central plc 17 Bruton St. W1A 3DH. 01-409 3434				
Notice Dep	9.875	10.12	Rate	14-day
M & G Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
HighIntChqAc	9.26	9.70	Daily	Call
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 0738				
High Int Chq	9.26	9.70	Qtr	Call
Save & Prosper/Robert Fleming 28 Western Rd, Romford, RM1 3LB. 0708 66966				
HghIntMktAc	9.07	9.50	Daily	Call
Premier Acc	9.07	9.50	Daily	Call
Tyndall & Co 29-33 Princess Victoria St. Bristol BS8 4BX. 0272 732241				
Demand Acc	9.34	9.68	Qtr	Call
Money Acc	9.625	8.90	Qtr	Chq/?
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth. 0705 827733				
Special Acc	9.60	10.03	Mth	Call
Over £1,000	9.88	10.30	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◎ Yield column shows annualised rates of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
105¾	101¼	Treas. 15pc 1985	101¾	.....	[illegible]	9.34
102¾	100	Exch. 12pc Cnv. '85	100¼	.....	[illegible]	9.52
97	93	Treas 3pc 1985	97	.....	[illegible]	9.39
102	99	Treas 11½pc 1985	101	+	[illegible]	9.64
99¾	96	Treas 8¾pc Cnv '85	99	+	[illegible]	9.63
104	99¼	Exch. 12¼pc 1985	102	+	[illegible]	9.74
105	99	Exch. 11¾pc '86	102¼	+	[illegible]	9.70
102	96	Treas. 10pc Cnv 1986	100¾	+	[illegible]	9.78
92	88¼	Treas 3pc 1986	92	+⅛	[illegible]	8.37
102	96¼	Exch. 10½pc Cv '86	100¼	.....	[illegible]	9.97
104	99	Treas 12pc 1986	102¼xd	.....	[illegible]	10.06
99¾	93	Treas 8¼pc 1984-86‡‡	97	.....	[illegible]	10.05
109	100	Exch. 14pc 1986	106	+	[illegible]	10.07
88⅛	85	Exch. 2½pc 1986	88⅛xd	+⅛	[illegible]	8.37
107	100	Exch. 13¼pc 1987	105	+⅛	[illegible]	10.25
100⅞	94½	Treas 10¼pc Cv '87	99	+	10.27	10.29
87¼	83¼	Exch 2½pc 1987	87¼	+	2.97	8.97
101	94½	Exch. 10½pc 1987	100¾	+⅛	10.46	10.30
92	87	Funding 6½pc '85-87‡‡	92⅝	+	7.02	10.00
99⅝	92¼	Treas. 10pc 1987	99xd	+	10.08	10.39
85⅝	81	Treas 3pc 1987	85⅝	+	3.52	9.51
105	97⅛	Treas. 12pc 1987	103¾	+⅛	11.57	10.47
94⅞	87	Treas 7¾pc 1985-88‡‡	93¼	+⅛	8.31	10.27
100¼	92	Exch 10½pc '88	99⅝	+⅛	10.51	10.55
98	89	Treas 9½pc Cv '88	97xd	+	10.02	10.74
82	77	Transport 3pc '78-88	80½	+⅛	3.73	9.53
96	88	Treas. 9½pc '88	96¼	+⅛	9.87	10.69
106¼	94	Treas 11½pc 1989	102⅜	+⅛	11.23	10.75
96	87	Treas 9½pc Cnv. '89	96	+	9.85	10.53
99⅝	90	Treas 10½pc 1989	99xd	+⅛	10.57	10.71

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
30	20	Marlin-Black	22	.....	—	—	—	—
£102	£87	Mathesons 7¾%	£89	.....	07¾%	2.3	(9.0	—
376	287	Metal Box £1	346	+8	†15.0	3.2	6.3	5.5
220	129	Metal Closures	162	+14	6.3	2.5	5.6	(9.0)
27	12	Metal Sciences 2½p	12	.....	—	—	—	—
19	8	Metamec Jentique	8½	.....	0.01	—	—	—
129	83	Midland Marts	93	−2	4.0	1.8	6.2	11.6
70	45	Mitchell Cotts	70	+½	4.0	1.5	8.5	9.6
29	13	Mobeo Grp 1p	15	.....	‡d0.5	2.5	4.8	(9.5)
179	132	Morgan Crucible	168xd	−2	†7.5	1.2	6.4	(17.0)
16½	13½	Morris (W) Fine Arts	15½	−1¼	bg1.25	4.8	2.3	14.2
110	80	Moss (Robt.) 10p	102	−1	†2.5	2.9	3.5	12.3
330	197	NMW Computers	270	.....	6.0	1.8	3.2	15.1
65	40	Nash Inds.	45	.....	4.0	2.2	12.7	5.2
47	30	Neil & Spencer 10p	37	−1	—	—	—	15.9
33	13	Newman Industries	19	−1	—	—	—	(10.7)
31	16½	Do. 16pc Cm.Cnv.Pf.	21	+½	10%	—	6.8	—
67	43	Notton	44	−1	1.1	♦	3.6	♦
183	132	Norcros	173	−2	7.5	2.4	6.2	9.1
86	58	Nu-Swift 5p	59	.....	—	3.2	—	7.7
300	58	Oakwood Grp.	78	.....	‡d6.5	—	‡	—
190	138	Office & Elect	138	−2	5.24	4.2	5.4	6.5
102	92	Oldacre 25p	99	−3	bd4.0	2.6	5.8	8.8
875	650	Oriflame Intl SA	650	.....	†053c	2.2	6.8	6.7
46	21	Overstone 12½c	23xd	.....	‡Q4.5c	2.2	‡	5.3
£152½	£120	Ozalid 9pc Cnv 87-92	£151	.....	Q9%	—	(6.1	—
190	120	PCT Grp 10p	128	.....	p4.8	2.9	5.6	7.3
£12½	975	PLM 'B' Sk 25	£11	.....	Q20%	3.2	4.2	7.4
62	40	Pacific Sales 10p	50	−2	b2.4	2.2	6.9	(7.6)
207	148	Parker Knoll 'A'	169	.....	9.0	2.0	7.6	6.6

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

OPTIONS — 3-month call rates

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FINANCIAL TIMES

Saturday November 24 1984

MAN IN THE NEWS

Ready to take on the giants

BY DAVID CHURCHILL

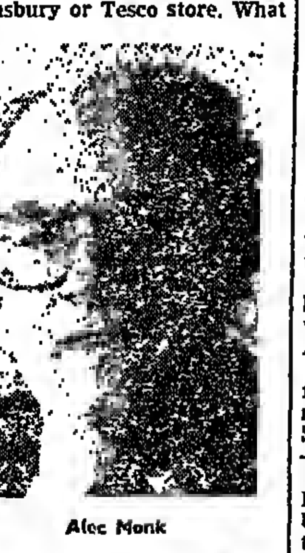
ALEC MONK is the first to admit that he is no retailer by instinct. "I'm primarily a businessman who happens to be in retailing," he points out. Yet 42-year-old Monk, in the space of just over three years, has firmly established himself as one of the new generation of retailing entrepreneurs who are doing so much to add sparkle and zest to the stores sector.

Since he took over as chairman of the struggling Linfood group in September 1981 — basically a cash and carry food distribution company with a few scattered retail outlets—he has vigorously pursued a policy of acquiring small retail chains as well as renaming the company the Dee Corporation (after Frank Dee who operated some of the original Linfood supermarkets).

Monk's efforts had already begun to establish Dee as one of the top teams in the "second division" of food retailers, until his surprise move this week to snap up the International Stores chain from BAT Industries firmly made him ready for promotion to the "first division" dominated by the likes of Tesco, Sainsbury, and Asda.

Monk has put together a stores chain with retail sales of £1.6bn and just over 7 per cent of the total £27bn a year food market. His new retail chain—which will trade under the Gateway banner—has some 760 outlets, more than three times the number operated by Sainsbury's.

The difference is that most of Monk's 760 stores are under 5,000 sq ft in size, or about a third of the size of an average Sainsbury or Tesco store. What



Alec Monk

must gall his bigger rivals who have spent the past several years closing down such small stores and building ever-larger superstores, is that Monk has shown that the application of tight control over costs and management can make these small stores pay.

Monk remains convinced there is a long term future for well-run small conventional supermarkets alongside the giant hypermarkets perched ever further from town centres. "Not everyone has a car or wants to shop miles from anywhere," he maintains.

The son a Welsh baker, Monk left Oxford to work with economics guru Professor Merrett of London Business School fame.

After a short spell with Esso as a financial analyst, he was poached by the RTZ group. Nine years later (at the ender age of 31) he joined the main board.

His RTZ experience involved putting together some of the world's largest mining projects and he might today have been running this international mining conglomerate had it not been for the premature death of Sir Val Duncan, RTZ's chairman and his mentor, in the mid 70s. Instead Monk broadened his business experience with four year at AEA Investors, the influential U.S. private investment company which keeps a very low profile.

Monk, who now courts publicity with his intricate financial wheelings and dealings, was headhunted into Linfood to save it from what then looked like being on the wrong end of an unwelcome takeover bid.

That bid soon arrived—from a Mr James Gulliver, another of the new generation of retail entrepreneurs. Monk successfully fought that off with the help of the Monopolies and Mergers Commission. That same Commission is currently sitting in judgment on whether Monk should be allowed to pursue another of his takeover targets, the Booker McConnell group.

Moreover, he dismisses the idea that he is fueled by a burning ambition to become Britain's biggest retailer. "My aim is only to get the best possible return for our shareholders," he maintains. "I have no desire to do a Sainsbury and found a new grocery

Threat of further Tory rebellions in Commons

BY PETER RIDDELL, POLITICAL EDITOR

Senior Tory MPs have warned the Government that it is likely to face further Commons rebellions against its local government and bus industry proposals after the large revolts this week over foreign aid and the Civil Aviation Bill.

Moreover, Tory MPs are expected to criticise the Government on unemployment in a series of speeches over the next few weeks. Among them will be one from Mr Edward Heath, the former Prime Minister, who is due to deliver what has been billed as a strong speech next Friday arguing for an entirely fresh approach.

However, the comparison by Mr Peter Walker, in his speech on Tuesday of current unemployment with that of the 1930s was yesterday described as "thoroughly and mischievously misleading" by Mr David Howell, the former Transport Secretary. Without naming Mr Walker, Mr Howell said that such comparisons helped directly to prolong the agony of transition and delay the acceptance of new attitudes and policies about the enterprise culture.

The significant feature of the latest Conservative unrest at Westminster is that it is not confined to familiar critics and malcontents alone: it now extends to senior MPs and previous loyalists, including officers of back bench committees. One prominent MP commented: "Ministers are getting out of touch and are in danger of alientating traditional supporters."

Several members have referred to large numbers of constituents' letters about overseas aid and the proposed sharp increase in parental support for students.

Ministers were taking a relaxed view of these rebellions, claiming that assurances had been given about maintaining the aid budget. But yesterday many of the 50 or more rebels in Thursday's aid debate claimed angrily to have been misled by earlier soothing remarks, since the aid programme now looked like falling in real terms next year.

One senior, normally equable, member of the executive of the back-bench 1922 Committee apparently told Sir Geoffrey Howe, the Foreign Secretary, to "go take a running jump" because of his attitude, and at least one parliamentary private secretary considered resignation.

The result has been to undermine Sir Geoffrey's standing among some MPs after what had been seen as his considerable coup in the Hong Kong negotiations with China.

Considerable criticism has also been directed at Mr Nicolas Ridley, the Transport Secretary, over civil aviation and, in particular, the latest row about the expansion of Stansted airport in Essex. Ministers also fear there could be very sizable back bench opposition to the forthcoming Bill to liberalise local bus operations because of fears that this could threaten services in rural areas represented by Tory MPs.

A sizable rebellion is also expected in 10 days' time at the end of the two-day second reading of the Bill to abolish the Greater London Council and the six metropolitan county councils. But Ministers believe that opposition can be limited and may be less significant politically than over the Bill earlier this year to cancel the GLC and metropolitan county elections in 1985.

The row over the demonstration on Wednesday evening which halted the Commons continued yesterday. Mr Eric Heffer, the former Labour Party chairman, who led the protest, said although that type of action was unlikely to be attempted regularly and might not be repeated, Labour MPs would seriously consider other ways of stepping up the fight against the Government, "including all types of parliamentary procedure, to ensure that the workers' views are put at all times."

Divisions within the Labour Party have been underlined by a warning in the left-wing Tribune newspaper that Mr Neill Kinnock, the party leader, should back the striking miners strongly now or face bitter recrimination later.

Takeover auction for Cullen's

By Alexander Nicoll

AN AUCTION developed yesterday for Cullen's Stores, the loss-making grocery and off-licence chain, as two former supermarket chiefs, Mr John Fletcher and Mr Lewis Cartier, put in separate bids each worth £7.4m.

Cullen's, with about 100 upmarket stores in London and the South-east, has suffered a rapid deterioration in its financial position. Last week, it agreed to a £6.6m offer from three former Imperial Group executives headed by Mr Peter Matthews and backed by merchant bank, J. Henry Schroder Wagg.

That bid still has irrevocable undertakings to accept covering 21.4 per cent of Cullen's voting equity, mostly comprising the company's pension fund. But the board yesterday switched its recommendation to the bid from Mr Peter Fletcher, the former head of Asda stores, with the backing of Charterhouse Japhet, the merchant bank.

Mr Fletcher owns 10 per cent of the Cullen's voting equity.

Minutes before the newly agreed bid was announced, however, an almost identical offer was unveiled by Mr Cartier, who sold his Cartier Superfoods chain to Tesco in 1979 for nearly £20m.

Although Mr Cartier had failed to secure the agreement of the Cullen's board, he has the backing of Mr David Cullen, who speaks for 24.5 per cent of the target group's voting equity. Mr Cullen has irrevocably pledged this holding to the Cartier offer.

Mr Cullen was a director of Cullen's until June, when he resigned after disagreements. He is an executive director of the company formed by Mr Cartier, and the two plan to work together on an extensive reorganisation of Cullen's. They are being advised by Hambros Bank.

Although the three bids have many similarities, they present three markedly different strategies for coping with Cullen's problems. The group has suffered severe pressure on margins partly because of high distribution costs.

The team led by Mr Matthews proposes to transform Cullen's into a chain of early opening, late-closing convenience stores aimed at supplying consumers' emergency needs, without substituting for their bulk shopping.

Mr Fletcher, on the other hand, plans no significant change in policy. "I think it's better to build on the strengths which clearly exist in a name of over 100 years' standing," he said yesterday.

Mr Fletcher has had stints at Oriel Foods and Associated Dairies, which he left suddenly in May.

Mr Cartier and Mr Cullen have a two-prong plan to use the 10 larger Cullen's supermarkets as a base for a supermarkets chain, and to revamp about 25 off-licences. The remaining stores would be closed or turned into off-licences.

The Matthews team was reserving its position yesterday on whether to increase its offer. Cullen's board, advised by Barclays Merchant Bank, originally backed its bid partly because it was anxious to reach a quick solution against the background of a worsening trading position.

The non-voting shares ended up 10p at 340p against Mr Fletcher's 305p, Mr Cartier's 320p and Mr Matthews' 275p.

THE LEX COLUMN

Personal callers ring the bell

Telecomania has by now affected almost every town, village and hamlet in the land. In the City of London the last pockets of resistance crumbled as the week wore on; even the gilt-edged market, normally rather sniffy about cumbersome new equity issues, was caught up in the craze. Gilt investors switched into futures and partly paid stocks as a way of releasing cash for the issue, while the discount houses began to dwell on the consequences of heavy oversubscription for liquidity in the money markets.

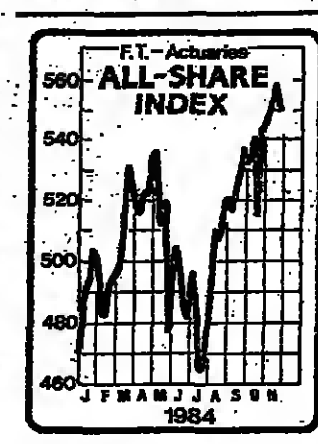
Telecom's advisers must have witnessed this week's epidemic with bemusement, verging on alarm. Having spent most of the year carefully gauging the capacity of the London market to absorb such a big issue, they now stand to be overwhelmed with applications. Meanwhile, the institutions which were so guarded about Telecom throughout the summer are faced with the prospect of collecting only scraps — if that — from the private investor's table.

The London markets performed most obligingly for Telecom all week although it was often difficult to tell whether the Telecomoutlook was driving the market or vi vice versa. In any event, it would have taken bad news-aplenty for confidence to be seriously undermined.

As it turned out, London recevxied good and bad in roughly equal measure. The Federal Reserve's half point discount rate cut, coupled with a pointed statement about the slowing of economic growth, helped National Westminster screw up its courage for the long-awaited half point drop in base rates. The Bank of England, while not exactly egging the clearers on, was more than happy to fall into line with the new rate.

To set against these cheery tidings wasthe familiar sight of sterling losing ground in response to falling oil prices. After the Britoil and Enterprise debacles—products of just such a falling oil market—the Telecom advisers may be keeping their fingers crossed until the last minute. But, as of last night, it looked most unlikely that even Sheikh Yamani could scupper Telecom. While taking note of the usual caveats about equity risk and excessive concentration in a single security, private investors should apply for Telecom in strength. Early dealings may be confused, if not chaotic, but it would be surprising to see the small shareholder showing paper losses once the dust has cleared.

Index rose 0.4 to 910.3



Cullen's

It is a rum thing, but a week that saw International Stores fall ripe and uncontested into the lap of Dee Corporation also witnessed bidders clambering over each other at the Stock Exchange to reach up for the less juicy fruit of Cullen's Stores. It is perhaps fitting that a group which is pushing in at least the three directions of traditional shops, mini-supermarkets and off-licensing should have at least three bidders, although the number of institutions and merchant banks lined up behind one or other looks like overkill for a group valued by Friday's bids at £7.4m.

A curiosity of the Cullen's group is the 17 per cent of voting stock controlled by the house pension fund, but the two Cullen family directors must be hitting themselves for pledging this and their own 4 per cent to Matthews last week, when now it seems yesterday's Fletcher bid looks nicer. The shares closed up 5p yesterday to 440p, 20p ahead of Fletcher's cash offer. It could be there are even more lovers of food retailing in England even than Napoleon surmised, and another will enter the game.

Chloride

The Chloride battery sent out its first weak spark for four years yesterday, enough to bring a small glow to preference shareholders who will now receive the equivalent of a six-month dividend deferred from 1981. The Chloride board obviously feels that the traditionally better second half to March will allow a further clearing of arrears to the banks and institutions. Ordinary shareholders, and a quite voluble action group, will have to go on waiting since pre-tax profits continue to be ambushed by vicious taxation and interest charges on their way to the bottom line.

Although overall borrowing is down, interest charges climbed 4 per cent to just under half the operating profit of £10.6m for the first half; with divestitures harder to find, Chloride will have to fight to keep net debt from climbing back up over last year's 71 per cent of shareholders' funds. In the U.S., teething troubles hit production of the new Torque Starter battery at a time when margins are under heavy pressure for the conventional sort. At home, it is yet to be seen whether a 7 per cent price increase for automotive betteries will stick and provide profits capable of outflanking the tax charge from overseas (£5.1m for the half-year). For the moment, Chloride must wrap up for the winter and pray for blizzards to hit the replacement sector.

News Corporation

The News Corporation report and accounts is a joy to read. After an extensive commentary on the trading performance, lavishly illustrated with pictures of journalists, the reader comes upon a real feast of figures which taken together signify, well, not a lot.

The boldest stroke is the revaluation of mastheads and television licences which adds no less than A$602m to fixed assets and more than doubles the group's net worth to roughly A$1bn. But the most intriguing section is the list of subsidiary results. A company named Control Investments, which chipped in a modest A$18,000 to consolidated net profits in 1983, somehow managed to contribute A$53.6m in the latest year.

A profit of £19.9m on the Warner Communications holding turns up in the News International accounts and outweighs "losses on new media activities" of £12.3m. There is no such luck in the consolidated accounts where, after netting out all the pluses and minuses, the extraordinary charge totals A$109.4m. A great business, newspapers.

Times Newspapers contributes first trading profit to Murdoch

BY STEFAN WAGSTYL

THE TIMES and Sunday Times newspapers together made a trading profit for the year to the end of June—the first since they were taken over in 1981 by Mr Rupert Murdoch's News Corporation.

Losses at The Times were reduced, while profits at the Sunday Times increased, according to the annual report of News Corporation.

However, after interest and tax, Times Newspapers still made a net loss of A$8.2m (£5.6m) for the Australian holding company, compared with a net loss in 1983 of A$14.6m.

Meanwhile, the contribution from Mr Murdoch's two other major British newspapers—the Sun and the News of the World—fell by more than 50 per cent.

Net profits from News Group Newspapers, owner of the two UK tabloids, were A$24.5m (£16.8m) against A$51.2m in 1983. The poorer result was due to the cost of setting up a new printing works in London and to the multi-million pound bingo games.

The Sun, facing strong competition in the tabloid sector, reported reduced profits, while the News of the World made a small loss.

The retained profits of News Corporation, which also has media interests in the U.S. and Australia, fell from A$38.4m to A$26.6m. But, according to the group's report, net assets have increased 143 per cent from A$406m to A$986m.

This has been achieved largely by a A$600m valuation of the group's titles, television and publishing rights. The figure includes the equivalent of a £31m revaluation on the News International subsidiary which owns the titles of Mr Murdoch's British newspapers. However, the accounts do not provide for a £26.6m tax charge which could be payable if the News International titles were ever sold.

Mr Murdoch, writing in the report as chief executive of News Corporation, says that the revaluations were carried out so that the balance-sheet would reflect the market values of the assets more closely. The new figures represent about 70 per cent of the valuations of independent experts, he says.

The group's stake in Reuters, the international information company, has been included separately at a value of A$72.9m, against a market value of A$121.4m.

Against the increase in assets, News Corporation's total liabilities have risen from A$760m to A$1,113m, including a substantial increase in borrowings.

Extraordinary items totalling A$109m include foreign exchange losses and the complete write-off of the group's Australian oil exploration venture and its U.S. satellite operation.

Drift to work

Continued from Page 1

juries but said later he would return to work when he recovered.

The NCB and the Government moved yesterday to clarify remarks by Mr Ian MacGregor, the NCB chairman, to management union leaders earlier this week, that he could not guarantee the board's pledge that no miner would be made redundant against his will.

The board said the no-redundancies pledge remained where pits close or were reorganised "in the normal way." It added, however, that "of course, in exceptional circumstances beyond the board's control, where the industry's assets are destroyed or become unworkable because of strike action or vandalism, it may not be possible to apply this guarantee."

Mr Peter Walker, the Energy Secretary, said on Channel Four's Week in Politics last night that the reporting of Mr MacGregor's comments in yesterday's Financial Times was "totally incorrect." This does not accord with the criticism which passed from the Department of Energy to the NCB yesterday, to the effect that Mr MacGregor had made a serious error in telling the management unions, in categorical terms, that he could not give a pledge.

The TUC sent a cheque for £260,500 to the miners' fund used to relieve hardship among striking miners and their families.

The money has been donated by unions at home and abroad and by individuals. Mr Norman Willis, the TUC general secretary, said that "hardship in the coalfields is acute and the suffering is immense. The TUC is determined that miners should not be dragged back to work by their children's hunger."

● French miners in the CGT miners' union emptied about 80 coal wagons bound for the UK in sidings at Calais in support of the British miners. The Communist-led CGT said that the union had pledged to stop all shipments of coal to the UK during the strike.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas 15¼pc 1998	£127⅞	+ ⅜
Treas 2½pc IL 2011	£104	+ ⅜
BPCC	176	+ 6
Cullen's Stores A	340	+ 10
FII	203	+ 11
GRA	63	+ 3½
Heath (C. E.)	510	+ 14
Lucas Inds	277	+ 11
Meadow Farm Prod	267	+ 7
Metal Closures	162	+ 14
Powell Duffryn	318	+ 8
Royal Insurance	525	+ 7
Stockley	70	+ 5
Wedgwood	189	+ 10
FALLS		
BPB Inds	290	− 8
Bin-Isolates	43	− 7
Extel	298	− 8
RMC	400	− 10
Redman Heenan	4½	− 4½
Waddington (J.)	520	− 35
Whitbread A	187	− 5

WORLDWIDE WEATHER

UK today: Scattered showers rather cloudy in Western districts and Scotland. Brighter in East. Outlook: Cooler.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	19	66	Corfu	S	17	63	Luxmbg.	C	11	52	Peking	S	9	48
Algiers		—	—	Dallas		—	—	Madeira	S	20	68	Perth	F	25	77
Amsdm.	R	12	54	Dublin	F	11	52	Madrid	F	16	61	Prague	F	11	52
Athens	S	18	64	Dbrvnk.	F	14	57	Majorca	S	20	68	Rykjvk.	F	2	36
Bahrain	S	27	81	Ednbgh.	C	8	46	Malaga	S	17	63	Rhodes	S	19	66
Barcina.	S	22	72	Faro	F	16	61	Malta	F	19	66	Rio J'o.†		—	—
Beirut		—	—	Florence	F	20	68	M'chstr.	F	11	52	Rome	C	18	64
Belfast	S	9	48	Frankft.	F	13	55	Melbne.		—	—	Salzbrg.	F	13	55
Belgrd.	S	12	54	Geneva	C	16	61	Mx. C.†		—	—	S'cisco.†	C	8	46
Berlin	C	11	52	Gibrltr.	S	18	64	Miami†	R	17	63	Singapr.	F	30	86
Biarritz	S	22	72	Gl'sg'w.	F	9	48	Milan	F	12	54	S'tiago.†		—	—
Bmghm.	R	10	50	G'rnsey.	R	12	54	Montrl.†	Sn	1	34	Stckhm.	R	4	39
Blackpl.	S	12	54	Helsinki	Sn	0	32	Moscow	Sn	−3	27	Strsbg.	S	17	63
Bombay	S	30	86	H. Kong	S	23	73	Munich	R	11	52	Sydney		—	—
Bordx.	C	15	59	Innsbrk.	F	17	63	Nairobi	F	24	75	Tangier	C	19	66
Boulgn.	C	12	54	Invrnss.	C	7	45	Naples	C	16	61	Tel Aviv	F	21	70
Bristol	C	12	54	I.o.Man	R	11	52	Nassau		—	—	Tenerife	S	22	72
Brussels	F	12	54	Istanbul	S	13	55	Nwcstl.	S	11	52	Tokyo		—	—
Budpst.	F	9	48	Jersey	R	12	54	N. Delhi	S	24	75	T'r'nto.†	C	2	36
Cairo	C	21	70	Jo'burg.		—	—	N. York†	F	2	36	Tunis	S	22	72
Cardiff	C	12	54	L. Pims.	F	25	77	Nice	S	18	64	Valencia	S	22	72
Cape T.	F	21	70	Lisbon	C	16	61	Nicosia		—	—	Venice	C	7	45
Chicg.†	C	−2	28	Locarno	S	11	52	Oporto	C	15	59	Vienna	R	15	59
Cologne	F	14	57	London	C	13	55	Oslo	R	2	36	Warsaw	R	9	48
Cpnhgn.	S	9	48	L. Ang.†	F	8	46	Paris	F	14	57	Zurich	S	17	63

C—Cloudy, F—Fair, R—Rain, S—Sunny, Sn—Snow.

Britain and U.S. to consult before using trade powers

BY FRANK GRAY

BRITAIN and the U.S. have agreed a consultation process to try to minimise potential threats to bilateral trade relations arising from the U.S. applying its substantial extra-territorial trade powers.

The agreement was announced in the Commons yesterday by Mr Paul Channon, the Trade Minister. It will place Britain in a strong position to influence Washington before any U.S. move to stop American companies in the UK or British companies using U.S. technology, sending products to countries that have run foul of U.S. political or trade policy.

Britain will also consult the U.S. before invoking the UK Protection of Trading Interests Act in retaliation against U.S. decisions on trade.

Trade Department officials in London said the agreement was an important step towards meeting British concerns over the extraterritorial application of U.S. export controls.

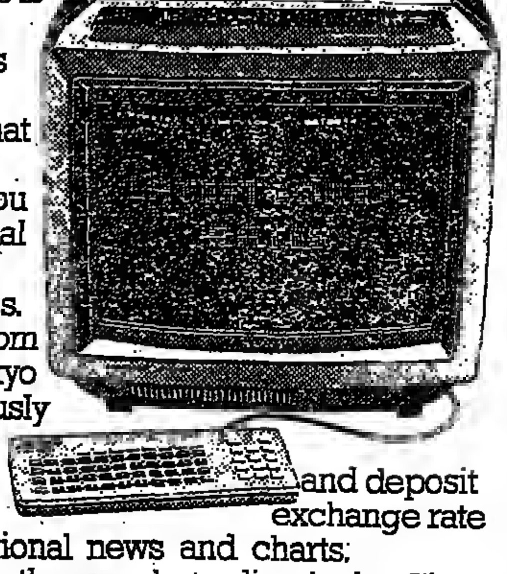
Britain would still press for the removal or a diminution of wide powers embodied in the U.S. Export Administration Act, when the U.S. Congress convenes at the start of next year.

Problems over U.S. trade policy first arose several years ago when Washington moved to block shipment from Britain of U.S. goods or U.S. technology for the Siberian natural gas pipeline being built to ship Soviet gas to western Europe. The U.S. lifted its constraints after protests by foreign governments.

Extraterritorial application of U.S. law was also involved in the U.S. grand jury investigation into fares charged by U.S., British and other airlines at the time of the collapse of Laker Airways in 1982. the U.S. government this week disclosed it had ordered the Justice Department to drop the investigation.

U.S. trade law was also a factor earlier this year when International Business Machines of the U.S. attempted to enforce controls on the sale or resale of its computers in the U.K.

Mr Norman Tebbit, the Trade Secretary, said at the time: "We can't impose our law within the U.S. and, frankly,



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